The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

America Takes Firm Stand Against Japanese Aggression

ARTICLES IN THIS ISSUE

U. S. Moves Toward Firmer Policy in Orient and World Affairs

Judge Helmick's Departure for U. S. on First Vacation

Increased Political Tension in the Far East

California Editor Was Deeply Interested in Orient

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Japan Hits a New Low In American Opinion . By George Kao

How China Is Guarding Her Back Door . . . By Hin Wong

Shanghai Is a Tough Town! . . . . . By George Rue Lette

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The China Weekly REVIEW

Formerly Millard's Review

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U.S. MOVES TOWARD FIRMER POLICY IN ORIENT AND WORLD AFFAIRS

THE action of the United States Senate in approving a resolution condemning Japan's "inhuman bombings of civilians," at Canton and the declaration by at least one influential member of the Senate that he would support an amendment to sever relations with Japan, constituted the most significant indication of a new orientation in American foreign policy since the enactment of the Neutrality Resolution of August 31, 1935 and its amendment and adoption as a joint-resolution of both houses of Congress on April 29 of last year.

The resolution condemning Japan's inhuman bombings of civilians at Canton was introduced by Senator Key Pittman, Democrat of Nevada, who is chairman of the Foreign Relations Committee. The resolution followed the condemnation of Japan's bombing of civilians voiced by Secretary of State Cordell Hull a few days earlier. While there also were references to the situation in Spain where the Fascist General Franco appeared to be trying to outdo in frightfulness his Japanese allies on this front, it was generally realized that the Senate's action expressed the exasperation felt by the American people generally with regard to Japanese military activities in China.

The only opponent of the Pittman resolution, according to the *United Press* report (June 17) was Senator Hiram Johnson of California who regarded the resolution as "meaningless." This provoked Senator King of Utah to inquire whether Senator Johnson would, "in view of Japan's flagrant violation of treaties and attacks on defenseless people," support a resolution to sever diplomatic relations with Japan. Senator King announced he would support such a resolution. Johnson's reply to this was that such a resolution would not receive general support because it would lead to the "logical conclusion—war."

While it is unlikely—unless there is another Panay incident—that the United States would

break off relations with Japan at the present, there is an unmistakable drift in that direction, evidenced in the recent sharp note to Japan demanding evacuation of American property and its return to its rightful owners. But of even greater significance from the standpoint of American policy generally was the passage of the biggest peace-time naval appropriation in America's history. This action, in addition to the obvious intention to include the Philippines within the American Pacific defense line and to postpone consideration of proposals for immediate independence of the Islands, constituted further unquestioned evidence of the deepening interest of Americans in the affairs of the Far East.

Further significant developments indicative of the growing concern of Americans in the Sino-Japanese crisis, included the widespread drives for relief funds for wounded civilians and soldiers and to provide food for helpless civilians driven from their homes and occupations by Japanese aggression; the strong denunciation of aerial bombardments of open cities by Norman Davis Chairman of the American and International Red Cross organizations; the American denunciation of Japanese opium, morphine and heroin traffic in China conducted under the auspices and protection of the Imperial Japanese Army; and finally the warning issued by the Department of Commerce to American exporters not to sell merchandise on credit to Japanese dealers because of the precarious condition of the Japanese yen.

That these moves on the part of the authorities at Washington have the support of the people generally was indicated in a *Reuter* dispatch from Washington on June 21 stating that representatives of women's clubs having a total membership of 7,000,000 had approved a program recommending "collective action as the only saving prerequisite for the peaceful solution of the world's problems." The women's organizations approved American cooperation with other nations in financial and economic measures—not including war—designed to withold aid to a treaty-breaking nation. The delegates urged the enactment of legislation supporting the present policy of refusing recognition of any situation brought about by means contrary to the Pact of Paris, through placing conditions upon or prohibiting financial transactions with the violating state. They also favored an amendment to the Neutrality Act to provide for an embargo against nations directly involved in a threat to peace, at the same time allowing the President freedom to exempt from embargo a nation which it is agreed is the victim of aggression.

The *New York Times*, in commenting on the action of the Women's Clubs at their annual convention, said that "the popular concern as to the ways of peace is an augury that an informed public opinion will support an affirmative and courageous American foreign policy."

That a firmer policy is in prospect, particularly with respect to the Far East, was indicated in a further report from Washington (*United Press*) on June 20 stating that the Department of State was launching a campaign to make Americans "foreign policy conscious" as a prelude to an increasingly firm American stand in international affairs. . . . effects of the campaign were expected to be felt in the Far East, particularly in China, since the State Department is believed anxious to support the world democracies in a stand against totalitarian states such as Japan which are regarded as responsible for the current wave of treaty violation and unprovoked aggression. Officials of the State Department said that the United States today faced question of foreign policy more grave than any in many generations; consequently an attempt was being made to consolidate public opinion in support of the Administration's foreign policies in order to give weight to the American position on world problems.

Officials said the United States must decide immediately "whether to continue and strengthen moral support of the democracies or attempt a policy of isolation." The State Department campaign links in closely with strained American-Japanese relations and increasing friction between the United States and Germany, Washington observers believed. Administration leaders have made no effort to conceal the belief that Japan, Germany and Italy have been largely responsible for the widespread disregard for the sanctity of treaties and international lawlessness. Some observers believed the next session of Congress would reconsider the entire scope of American foreign policy. Mr. Hull said that he would welcome such a study.

It also was indicated that the failure of the totalitarian states to observe treaties or live up to their word left the United States only two choices in planning future foreign policies. The first, which the Administration is believed to oppose, would involve the abandonment of American interest abroad and the adoption of a strict policy of isolation. State Department officials regard an isolationist policy impractical. The only other choice, it was indicated, is a firm stand with Britain and France against aggressor nations.

The new orientation in Foreign Policy, attributed by some observers, to Roosevelt's success in the recent elections, has led to attacks from various quarters on the Neutrality Resolution and

isolationist sentiment generally. Francis Sayre, Assistant Secretary of State, declared in the course of a broadcast on June 7, that the United States must be prepared to withstand the aggression of the lawless. He said that America's objectives in upholding and strengthening the rule of law in international relationships could not be achieved through a policy of isolation, which he designated as "the pathway to war." An earlier report (*Havas*, June 4) said that it was now President Roosevelt's intention to lead a movement favoring the United States taking a major role in international affairs. Senator Pittman, in an interview with press correspondents on June 19, said that Congress would probably be led to revise the Neutrality Law so as to take account of all questions relative to freedom of the seas, rights of neutrals and limitation of methods of war. In order to force respect for treaties, it would be necessary to apply economic pressure to aggressors.

CHINA TRADE ACT STRENGTHENED

Of particular concern to Americans interested in business in China, was the action of the House of Representatives, at the last session prior to adjournment on June 16, in passing and sending to the President for his signature a bill authorizing the grant of perpetual charters to American corporations organized under the China Trade Act. Previously China Trade Act corporations only had a legal life of 25 years, making it necessary to reincorporate. The recommendation for increasing the legal life of such corporations originated with the American Chamber of Commerce at Shanghai and later had the approval of the United States Chamber. It was regarded as a handicap that such corporations had to be reorganized, after a life of 25 years.

Recent moves in Washington looking toward a strengthening of U. S. policy in the Far East had long been advocated by officials and members of the local American Chamber. Members of the Chamber called attention to action of the organization on May 23 in sending a strong recommendation to the initial meeting of National Foreign Trade Week in St. Louis. The telegram was to the following effect.

"Seriously handicapped by continued absence of American shipping services to Shanghai, hindered by Japanese without just reason in access to and free use of our own cargo and properties and shut off from markets by military interference with the movement of goods to and from Shanghai, we are endeavouring to maintain our rights and interests. As in former years we are observing National Foreign Trade Week in Shanghai by various events throughout the week attended by Chinese and Americans and culminating in a Foreign Trade banquet at the American Club on the night of Friday, May 27. In the spirit of the pioneers of American trade who a century ago at Canton also facing war conditions persisted in maintaining American trade rights and succeeded in writing a second momentous chapter in the unbroken history of Chinese-American friendship and trade relations, we as today's representatives of America's foreign trade interests in the Far East salute you on this occasion and hope that in the reawakening of the American people to the importance of maintaining and promoting America's foreign trade your observance of Foreign Trade Week of 1938 will prove to be most successful."

JUDGE HELMICK'S DEPARTURE FOR U. S. ON FIRST VACATION

JUDGE Milton J. Helmilk of the U. S. Court for China, and Mrs. Helmick, sailed on Thursday of this week, aboard the German liner Scharnhorst on a trip to Washington and ultimately their home in Albuquerque, New Mexico. They hope to return to China after five or six months. It will be their first trip home since Judge Helmick's appointment here in 1934.

N. E. Lurton of St. Louis, who is present U. S. Commissioner, has been designated to serve as special judge during Judge Helmick's absence.

Judge and Mrs. Helmick will travel home by way of India and the Mediterranean. They plan to leave the ship at Genoa and travel overland across the continent to England and thence to New York and Washington. While in the Capital, Judge Helmick will interview officials of the Department of Justice and probably will see President Roosevelt. Although his trip is entirely unofficial, it is likely that subjects concerned with conditions here will be discussed.

Judge Milton J. Helmick

Judge Helmick was born in St. Louis 53 years ago and studied at Stanford University in California, at the University of Colorado, and the University of Denver where he received the LL. B. degree. Prior to engaging in the practice of law, he worked for a time as a newspaper reporter on Denver papers. He was admitted to the Colorado bar in 1911 and the New Mexico bar in 1912, and practiced law in Socorro. N. M., until 1917. He married Mildred E. MacLanahan in 1916. In 1917 he was appointed assistant attorney-general of New Mexico, and from 1919 to 1923 practiced in Albuquerque and served as attorney for the New Mexico Central Railway. He was attorney-general of New Mexico from 1923 to 1925, when he was made judge of the New Mexico second district court, in which capacity he served until his appointment to Shanghai.

He also served in the American infantry in 1918. He is a member of the American Bar Association, the Royal Asiatic Society, Sigma Alpha Epsilon and Phi Delta Phi. He is a Democrat and a Mason.

Since Judge Helmick has been in China continuously, through the more serious phases of the Sino-Japanese crisis, he will be in a position to discuss with Washington officialdom the special problems which have developed here as a result of the war situation.

INCREASED POLITICAL TENSION IN THE FAR EAST

INCREASED political tension in the Far East resulting from continued Japanese aggression was indicated in growing bitterness in the relations of Japan and other nations having extensive interests in this part of the world. This was particularly noticeable in controversies which developed between Japan and France and in further disturbances in the already strained relations of Japan and the Soviet Union.

Developments in the relations of Japan and Great Britain had an unexpected reaction when British protests against Japanese bombings of defenseless civilians at Canton precipitated a "backfire" and demand in Parliament that the Royal Air Force cease its "police-bombings" of rebellious tribesmen on the northwestern frontier of India. The incident was not covered by *Reuter*, but the French *Havas* service, in the course of a lengthy dispatch from London on June 17 stated that opposition questioners had forced an admission from Prime Minister Neville Chamberlain in the House of Commons, that British protests against Japanese bombings in China and the Fascist General Franco's activities in Spain, had provoked Japanese, Spanish and Italian Fascists to make sarcastic references to British bombings on the Indian frontier. The Prime Minister explained that the British Air Force always warned the tribesmen in advance so that civilians could seek places of safety, but this didn't prevent searching questions by the Laborite Arthur Henderson who suggested that Britain should renounce air raids and police operations on the Indian northwest frontier and elsewhere. He said that Britain should join the United States in an international agreement to humanize methods of modern warfare.

There was a further reaction in the House of Commons resulting from an elaborate banquet and cocktail party given in Shanghai by Major-General F. S. G. Piggott, C.B., D.A.O., British Military Attache in Tokyo. It seems that Major-General Piggott was brought to China, along with several other foreign military observers by the Japanese General Staff and taken on a grand tour of Japanese battlefields. At the conclusion of the tour, Major-General Piggott, apparently to show his appreciation, gave two elaborate functions for his Japanese warlord hosts, one being a dinner in honor of Major-General Hata, commander of the Japanese troops, to which 25 guests were invited, and a cocktail party which was attended by more than 100 guests, most of whom were Japanese military officers and diplomats. As a result of Major-General Piggott's hospitality, London received a report that a "better atmosphere prevailed between the Japanese and Britons here," a statement not altogether in accord with facts if one would believe reports in the correspondence columns of the local British organ. But a few days later, the members of the House of Commons had the facts and charges were made that alleged "fraternization" between British and Japanese army officers was creating an unfortunate impression among the Chinese. R. A. Butler, Under-Secretary of State for Foreign Affairs, in reply, stated that "it was important that the British military authorities should keep in touch with the Japanese authorities and that their relations should be kept on the best possible footing in the present circumstances."

A brief dispatch in the *Tokyo Asahi*, referring to the visit of Major-General Piggott, quoted him as stating that he favored "an adjustment in the relations of Japan and Great Britain."

As a result of Japanese charges that France was giving military assistance to China and of Japanese military operations against Hainan Island threatening the safety of French Indo-China, Franco-Japanese relations have become seriously strained. There was fear that Japan's attitude might lead to serious trouble between the two countries.

Paul Emile Naggiar, French Ambassador, declared (June 15) that the sole purpose of his trip to Hankow was to acquaint himself with conditions in the French Concession in Hankow and also to call on the leaders of the Chinese Government." But despite this statement. Japanese papers made a vicious attacks on the French for alleged assistance to China. The *Kokumin* issued a "stern warning" to France to abandon her "outrageous" attitude. The paper charged, that France was supplying the Nationalist Government with airmen and military advisers to replace the American fliers and German military advisers. Soviet Russia and France were the major sources of China's military supplies, the paper asserted. The paper warned, "once Yunnan becomes the military and political centre of the Nationalist Government, not only Yunnan but French Indo-China as well will be involved in the maelstrom of Sino-Japanese hostilities."

The *Chugai Shogyo*, another Tokyo journal, said it was "mystified by the vigorous military assistance now being given to China by France." In view of the Franco-Soviet mutual assistance pact, the daily pointed out, it was "easily imaginable that France is affected by Russia's positive military aid to the Nationalist Government."

"Despite French denials," another Tokyo daily said, "there are various definite indications increasingly lending color to the rumors of a secret agreement between France and China." The journal quoted reports that Gen. Chiang Kai-shek was offering France railway and mining concessions in the southwestern provinces, including Yunnan, for French assistance.

Official quarters in Paris expressed greatest surprise at the attacks in the Japanese press. They denied the existence of any secret Franco-Chinese pact, as referred to by Gen. K. Ugaki, Japan's Foreign Minister, at a recent Cabinet meeting in Tokyo.

Charles Arsene-Henry, French Ambassador in Tokyo, admitted (June 17), according to *Domei*, that a contract had been signed for building a railway from French Indo-China to China, but denied that France was giving assistance to the Nationalist Government. Tokyo Foreign Office spokesman revealed that the Japanese Government had already made representations with the French Government against such assistance. The projected railway, he stated, was to be built between Chennankwan and Nanning; the contract was said to have been signed by a French firm and representatives of the Chinese Nationalist Government. The construction of such a railway, he pointed out, would give China another route for supplies of arms from Hanoi in French Indo-China to Kunming, Yunnan capital.

Japanese military operations against Hainan Island which had been subjected to repeated aerial and naval attacks aroused serious concern in Paris. Georges Bonnet, French Foreign Minister, received Japanese Ambassador Yotaro Sugiyama (June 20) and expressed surprise over the charges frequently brought in Tokyo against France. France had strictly stood by her commitments and had not delivered any war materials to China, M. Bonnet affirmed. Political leaders in talking about Hainan Island in connection with the present situation recalled that the Tokyo Government had assured Paris that it had no intention of occupying this island so long as France retained strict neutrality in the Sino-Japanese conflict. The same circles stressed that the French Government had observed this attitude strictly and therefore occupation of Hainan would be completely unjustified.

Concerning Soviet Russia, the Japanese press continued its allegation that a secret Sino-Russian military pact had been concluded. The Japanese saw considerable significance in the sudden departure of the Soviet Ambassador M. Luganets-Orelsky from Hankow for Moscow. According to *Miyako*, Tokyo daily, Moscow has summoned a conference of Soviet Ambassadors to Japan, China, United States and England, at which

Soviet Russia's future policy in regard to the Sino-Japanese conflict would be discussed and decided upon.

CALIFORNIA EDITOR WAS DEEPLY INTERESTED IN ORIENT

V. S. McCLATCHY, former editor and publisher of *The Sacramento Bee*, and for many years a director of *The Associated Press*, died of heart failure at his home in San Francisco on May 15. He was 80 years old.

Mr. McClatchy became internationally known two decades ago as a result of his editorial interest in problems concerned with America's relations with the Orient—China, Japan, Korea. He was responsible for revelations in 1919 which aroused general interest in the plight of Koreans and while on a trip to the Far East obtained the first copy to reach the outside world of Korea's first independence manifesto, constituting evidence of serious political unrest which continues to the present.

Mr. McClatchy was, however, better known because of the agitation he conducted throughout the United States on behalf of exclusion of Japanese peasant farmers and laborers from California. He presented the first definite evidence of widespread Japanese violation of a so-called "gentleman's" agreement which Japan had made with President Theodore Roosevelt, whereby the Japanese voluntarily agreed to restrict the emigration of their peasant farmers and laborers to the U. S. West Coast. Mr. McClatchy discovered that the Japanese companies, interested in transporting laborers from Japan to California, and in various colonization projects in California, were receiving secret official support in Japan in a program which, had it not been stopped, might have led to most serious political consequences or even war. While the Oriental Exclusion Act, which completely barred the immigration of Japanese of the peasant classes into the United States, caused a serious political shock to Japan, it did put an effective stop to the immigration issue. A move in more recent times to place the Japanese on a "quota" basis, similar to the status of Europeans with respect to admission to the United States, was blocked by Japan's invasion of Manchuria in 1931.

Mr. McClatchy was also interested in the question of Philippine independence and exerted considerable influence toward the final passage of the Independence Act through Congress.

He was always deeply concerned with the problems of China and assisted materially in arousing interest in the Western states in the Shantung question and other issues growing out of the World War which received attention at the Washington Arms Conference in 1921-1922.

Mr. McClatchy was one of the founders of the present McClatchy Newspapers, which includes the *Fresno Bee* and papers in other cities. He is survived by his widow, two daughters, Mrs. Valentine Woodhouse of San Francisco and Mrs. Butler Jack of Sacramento; and four sons, J. V. McClatchy, Ralph McClatchy, H. J. McClatchy of Sacramento and Leo McClatchy of Santa Fe, New Mexico.

Peiping and Nanking Regimes Attack Kuomintang—Hankow Interprets Move as "Peace-Feeler"

THE Japanese Army's chief puppet organizations in China—the so-called "Provisional" Government at Peiping and the "Reformed" Government at Nanking, issued simultaneous attacks on the Kuomintang Party and the National Government. The statements were circulated by the official *Domei* service and published in the local Japanese newspapers.

Officials of the Central Government at Hankow and newspaper editors abroad quickly labeled the declarations an oblique peace move and an unmistakable indication that the Japanese Army would like to wriggle out of the mess it has created. Chinese papers at Hankow stated that the gesture was an indication of Japan's "double-faced" policies—war on one front and peace talk on another—a clear indication of the growing doubt that prevails in Japan whether the defeat of China can ever be realized.

The Peiping statement, issued in the name of Wang Keh-min, constituted, in the opinion of the Chinese, an unmistakable gesture of peace to the Kuomintang Party. And, in this connection, it should be remembered that several influential members of Wang Keh-min's Anfu Party recently have deserted the Peiping camp and journeyed to Hankow where they announced their allegience to the National Government.

Wang strongly criticised the Kuomintang for starting the war and adopting the "scorched-earth" policy. But despite this, Wang urged the leaders of Hankow "to review the situation sanely and acknowledge their past mistakes." If this could be done, said the statement, "peace negotiations might be initiated at once." Finally, Wang's declaration appealed to the Chinese people for support in order that "an end could be put to the terrible and unnecessary disaster."

The Nanking statement carried the signatures of Liang Hung-chih and other "Reformed" puppets. It constituted a personal attack on the so-called "Chiang Regime" and was up to the best traditions of Chinese political abuse.

Despite an admission in the official *Domei* reports on June 21 that Japanese planes were dropping bombs on Chinese troops *on both banks of the Yellow River west of Chengchow*, the Nanking statement charged Gen. Chiang Kai-shek with the cutting of the dykes along the Yellow River and thereby causing the deaths of thousands of people. It then accused officials of the Hankow Government with betrayal of the trust of the people by "wantonly permitting hostilities to be opened against a 'peaceful' neighboring state." Finally the declaration closed with a personal attack on the members of the Chiang and Soong families, singling out for particular abuse, Madame H. H. Kung and Madame Chiang Kai-shek.

Hankow comment generally disregarded the puppet mediums through which the statements were issued and placed the responsibility for the "peace overtures" upon the Imperial Army. Chinese spokesmen declared their belief that the statements constituted evidence of Japan's exhaustion from the long struggle. "Peiping puppets have no status or position to talk for the Chinese people!" "The noises at Peiping and Nanking are the whisperings of their Japanese manipulators!"

The *Wen Hui Pao* (Shanghai) said it was interesting that the two Japanese-controlled organs in Peiping and Nanking had issued simultaneously manifestoes seeking peace. Gen. Ugaki, Tokyo's new Foreign Minister said that Japan may in the near future reconsider her attitude toward China. Statements of the two puppet regimes following so closely upon the remark of the Foreign Minister are indications that the Japanese government is weakening in its determination not to deal with the Kuomintang.

The London *Daily Telegraph* said that the move was plainly under Japanese inspiration and indicated a weakening of Japan's earlier refusal to treat with the Kuomintang under any circumstances.

London newspapers pointed to the difficulties encountered by Japan in the hostilities and hinted at the possibilities of mediation:

"If the embankments of the Yellow River have been broken by the Chinese without regard to the consequences for their own people, they took a decision that certainly does not suggest an early termination of China's resistance. Every month, while the Japanese lines of communication lengthen in hostile country, the Chinese have been building up new powers of resistance. Methods of frightfulness as at Canton served but to strengthen the national spirit in China."

Immediately following the issuance of the statement, officially inspired mass demonstrations against the Kuomintang were organized in various parts of Peiping (June 19) by the Japanese-controlled *Hsin Min Hui* (New People's Society).

Return of Y. C. Yang

Serious concern was felt by educated people in Japan regarding the ability of their warlords to convert military gains in China into some tangible and long-lasting political and economic assets, according to Y. C. Yang, Chinese Charge d'Affaires in Tokyo. Mr. Yang passed through Shanghai, en route to Hongkong and Hankow. Mr. Yang was recently ordered by Hankow to close the Embassy and return to China. In an interview Mr. Yang pointed out that,

Observers who have lived in Japan, can easily discern many telling signs which show the state of exhaustion that Japan has reached in mobilizing her resources for carrying on the war in China. Increasingly stricter control is being clamped down on the press and on personal liberty, but despite this rigid regimentation, a strong undercurrent of doubt and disastisfaction may be seen.

The *Tokyo Asahi*, leading Japanese paper, has repeatedly reflected this growing undercurrent of public opinion in its editorial paragraphs which expressed concern over the failure of the government to obtain the full support of the Japanese people, the Chinese diplomat stated.

Among the leading army officers in Japan, there is the realization that the campaign of the Nipponese troops has successfully completed the task of unifying the people and political factions of China, Mr. Yang revealed. Privately, they expressed the regret that such unity and singleness of purpose are not to be found in their own country, he added.

The lack of unity in Japan, Mr. Yang explained, is chiefly because the Japanese masses, despite the fact that the war in China has continued more than 11 months, still do not fully understand the ultimate purpose of the Nipponese campaign.

At the present time, there are about 10,000 Chinese still living in Japan. These are mostly small traders, barbers or cooks employed by restaurants in Japan, Mr. Yang explained. The majority of Chinese residents in Japan have returned to China.

Japan's Policy Unchanged—Ugaki

In his first interview with foreign correspondents, Gen. Ugaki, new Foreign Minister, declared that Japan's policy towards the Chiang Kai-shek Government remained unchanged. He affirmed Japan's determination "not to deal with the Nationalist regime of China," and predicted the "early downfall of the Kuomintang Government." As to the possibility of neutral intervention Gen. Ugaki said, "There is no room for mediation." He added, however, that it would be necessary to ascertain the "nature and motives of the mediation offer before committing Japan one way or the other. . . . . We believed in a China ruled by Chinese. If the Chinese want a unified government we shall let them have one, while if they want separate administrations in various parts of the country, we shall let them do so."

In the course of the interview, Gen. Ugaki expressed the hope that the Nine-Power Treaty would be revised, "in keeping with the realities of the Far East." He charged China with violation of "important provisions" of the treaty. Should a revision of the pact be undertaken, he said, it would have to be made in consultation with the various Powers interested in the Far East.

Measures designed to co-ordinate war-time policies in order to achieve Japan's objectives were discussed by the "Inner Cabinet" of five Ministers on June 17. Special attention was given to financial and economic policies. The question of establishing a central organ to deal with China affairs was also considered, but no details of any decisions reached were made public.

New Puppets for Chekiang

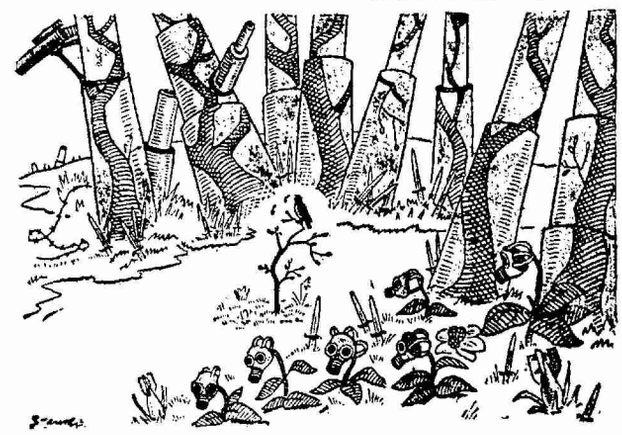
Wang Jui-kai was installed as "Governor of Chekiang" under the Nanking "Reformed Government" at Hangchow on Monday, June 20 according to *Shanghai Mainichi*. An official named Ho Tsan was installed as "Mayor" of Hangchow.

A Peace Maintenance Committee organized by the Japanese naval authorities was formed at Amoy June 20.

Japanese Canard Denounced in Canton

The report that a sensational *coup d'etat* would take place in Kwangtung in the near future was denied by Gen. Yu Han-mou and Gen. Wu Te-chen, military and civil leaders of the province.

CHERRY BLOSSOMS—SPRING OF '38



Strube in the London Express

In a joint statement they said that for more than 20 years, Japan had been disseminating rumors and creating internal dissension among the Chinese. But China had now awakened to the situation and was fully united under the leadership of the Central Government.

The *Ta Kung Pao* urged the Chinese Government to pay attention not only to the military situation in the Yangtse Valley and the Lunghai Railway, but also to prepare for a Japanese invasion of the northwest. The paper pointed out that Japan had long planned an invasion of the Northwest not only as part of her China program but an important move in her future war with Soviet Russia. In conclusion, the *Ta Kung Pao* appealed for close co-operation between Chinese and Mohammedans in the northwest. Gen. Ma Ling, Chairman of Chinghai (Kokonor), declared at a mass meeting at Hsining, Chinghai Capital, June 15, that all troops and people of the province would support the Central Government.

Gen. Pai Chung-hsi, Kwangsi military leader and one of China's ablest strategists, was elected (June 19) Chairman of the Executive Committee of the Chinese Mohammedans' Association at Hankow. The Association urged all Mohammedans in China to join in the resistance campaign.

Gen. Lung Mu-han, Commander of the 88th Division, was executed in Hankow on June 17 for disobedience to orders. Gen. Lung was charged with responsibility for the loss of Lanfeng.

Three persons were arrested in Hankow, June 19, for allegedly participating in a plot to threaten the lives of prominent Chinese leaders and businessmen, including Dr. Chu Chia-hua, Secretary-General of Central Kuomintang Headquarters. One of the gangsters was said to have organised an assassination corps in Hankow, for the purpose of extoring money.

Of significance in domestic politics were the announcements in Hankow of the inauguration of the People's Political Council on July 1 and the formation of a "Three People's Principles Youth Corps." The People's Political Council will be composed of 200 members with Wang Ching-wei and Chang Po-lin as President and Vice-President respectively. The membership includes leaders in various walks of life and of different political affiliations, including Hu Shih, Eugene Chen, Mao Tse-tung, W. W. Yen, Y. M. Chien, Mrs. Herman C. E. Liu, wife of the late President of University of Shanghai, and others. General Chiang as commander of the "Three People's Principles Youth Corps," stated that the purposes of the formation of the corps were, firstly, to achieve success in resistance and reconstruction by organizing and disciplining Chinese youth; Secondly, to centralize the new revolutionary force of the Chinese people; and Thirdly, to achieve the early realization of the "Three People's Principles."

Late Tsao Kun Honored

In recognition of his loyalty and patriotism, the National Government issued (June 18) a mandate commending the late Gen. Tsao Kun, former President of China, who died at Tientsin last

month. The posthumous honor of Full General of the First Class was conferred on him.

Hupeh and Shensi Provincial Governments were reorganised by order of the Executive Yuan June 15. Gen. Ho Cheng-chun was relieved as Chairman of Hupeh and transferred as Inspector-General of the Enforcement of Military Law in succession to Gen. Lu Chung-lin who had been made Chairman of Hopei Province. Gen. Chen Cheng, Wuhan Garrison Commander, was appointed new Chairman of Hupeh. Gen. Chiang Ting-wen was made Chairman of Shensi, succeeding Gen. Sun Wei-ju, transferred. Gen. Yang Hu-cheng, former Pacification Commissioner of Shensi and one of the leaders of the Sian Uprising of 1935, is now living in retirement at Nanchang.

Gen. Yu Han-mou, Pacification Commissioner for Kwangtung, and Gen. Wu Te-chen, Chairman of Kwangtung, assumed (June 20) their concurrent posts as Commander-in-Chief and Deputy Commander-in-Chief of the Kwangtung Military Control Area.

To tighten military discipline, the Ministry of War announced a set of measures for the suppression of military desertion. The measures consist of seven articles and empower all party, government, military and police organs to participate in the enforcement.

After visiting Changsha, Hunan capital, the International Student Delegation to China, organized by the World Student Association, is now touring Szechuan province. The delegation visited Chungking June 18 and arrived at Chengtu, Szechuan capital, June 20. The party consists of four members, two British, one Canadian and one American.

Edgar Ansel Mowrer, *Chicago Daily News* correspondent on leave, now visiting China as representative of the International Peace Campaign, arrived at Kunming, Yunnan on June 19, from Chengtu, Szechuan, by airplane. Mr. Mowrer said "In every place I visited, I witnessed gratifying signs of national unification." Mr. Mowrer cabled on June 14 from Hankow an appeal to the peoples of Europe to stop arms shipments to Japan. He was received (June 13) by Gen. Pai Chung-hsi, to whom he expressed sympathy for the Chinese people and admiration for the courage and morale of Chinese forces on the various fronts.

Dr. Wang Tells Reasons for War

Dr. C. T. Wang, Ambassador to the United States, in a speech at the meeting of the Yale-in-China Association at New Haven (June 19), declared that Japan attacked China because she feared the recent development of Chinese unity portended the creation of a state militarily strong enough to resist projected Japanese aggression. Japan's aggression, he pointed out, had served only to increase Chinese unity.

Japan and American Newsmen

Japan has ample resources for "any war of attrition against China," Gen. Kazushige Ugaki, Foreign Minister, told W. B. Courtney, of the American weekly magazine, Collier's, in an interview in Tokyo on June 8. Gen. Ugaki expressed appreciation of America's neutrality and "sympathetic understanding of Japan's position." Courtney, who had just returned from a plane trip to Manchukuo and North China, was the first foreign correspondent to interview Gen. Ugaki since his appointment as foreign Minister.

Americans Know Nothing, Says Japanese

Hachiro Yoshimoto, director and lecturer of the Journalistic Institute of the Japan Newspaper Association, who had been delegated to the United States by the Information Bureau of the Foreign Office to give lectures on the China war in various parts of America, returned May 16 to Japan. He told Japanese newspaper men:

"I was quite taken aback by the strong anti-Japanese feeling of Americans on landing at San Francisco. Perhaps it was natural because I arrived immediately after the Panay affair, but even John Thompson, foreign editor of the San Francisco News, with whom I am well acquainted, did not seem pleased to see me. He was very cold in greeting and his attitude was decidedly uncordial if not downright hostile. His attitude suggested: 'What' sre you doing here, anyway?' Even newspapermen were like that.

"So I steeled myself for an ordeal and interviewed V. S. McClatchy, executive secretary of the Californian Immigration Commission, leader of anti-Japanism. Just as I expected, he burst over me with the words: 'What's Japan doing to China, eh?'

"So I retorted: 'Do you know what the Chinese did to Japanese at Tungchow?' 'No, what's this Tungchow business?' he asked. I was astonished at his ignorance of such a big event despite his profession of anti-Japanese views, but I explained in detail and he quickly rectified his view: 'Now I see what the Japanese mean by chastising the Chinese.'

"Americans are ready to modify their views the moment things are explained to them to their satisfaction. Gomez and other members of the American baseball team your newspaper invited to Japan some time ago are speaking up for Japan, you know."

Shanghai Russians Seeking Return to U.S.S.R

In what is believed to be the first organized Russian emigre appeal to the Supreme Council of the U.S.S.R., more than 400 members of the Shanghai Union for Repatriation to the U.S.S.R. have sent a petition to Moscow to grant them the right to return to their Fatherland. The petition was addressed to President M. I. Kalinin of the Supreme Council of the U.S.S.R., and was entrusted to the care of U.S.S.R. Vice-Consul B. M. Simansky, who has agreed to remit the document to Moscow.

Symbolical of the general inclination of Russian emigres to come in closer contact with the land of the Soviets, the Union for Repatriation to the U.S.S.R., with headquarters at 105 Love Lane, was organized by a mere handful of local emigres in November last year. In seven months its steadily-increasing membership list has come to envelop more than 400 former emigres, all of whom have joined with the ultimate aim of returning to their Fatherland from which they have become isolated —most of them inadvertently. The petition, which, if accepted, is likely to become a historical document marking the virtual capitulation of the active White Russian opposition to the Soviet Regime. It is undoubtedly the first group appeal to Moscow on the part of the Russian emigrants in any part of the world. Repatriation is not new and many have applied and received passports individually.

This petition, however, asks that members of the local organization be granted leave to return to their homeland as a group, and was submitted to the local U.S.S.R. Consulate by Mr. Nicolai F. Svetlov, chairman of the Union for Repatriation to the U.S.S.R. To give the contents of the petition in brief, the "returners," as they are known in Russian, write that they have realized the mistake of their former attitude towards the U.S.S.R., and that the "colossal progress of the U.S.S.R." has become clear to them. Their sincere wish, the petition continues, is to become Soviet citizens.

The members request of the Soviet Government to grant them a tract of land, to which every Russian emigre who so desires may return freely, and on which each one of them may contribute his knowledge and follow his profession towards the advancement of his Fatherland. The petition expresses confidence that, should the Supreme Council see fit to grant this tract of land to emigres in other lands, it will be a mecca to thousands of former White Russians who have "repented for their cruel mistakes," and that within a brief space of time there will remain only a memory of the group once known as the Russian emigres.

Metal Looting Here Well-Organized

Two Russian emigres last week were convicted and two other were remanded in custody in the First Special District Court, where they faced charges of stealing and collecting scrap iron from the eastern districts north of Soochow Creek. From all indications, the gathering in large quantities of scrap iron, lying around in twisted, fantastic shapes in Shanghai's wartorn sectors, has developed into an organized racket—organized, it is believed, by Japanese civilians.

On June 15 Detective-Sergeant R. Eynstone rounded up a gang of 10 coolies for systematically stealing scrap iron from the Wayside and Yangtszepoo districts. Though admitting their guilt, nine of the Chinese said that Dai Tsi-waung, 28, native of Ningpo, and the tenth man arrested, was their employer. Dai, in turn, stated that he was indirectly working under the supervision of Japanese civilians. who bought all scrap iron collected. Brought before the First Special District Court were four emigres. Two of them, Peter Belaeff and Lev Shebalin, were taken into custody by Detective-Sergeant Moir on June 16 while two others, V. A. Marich, 23, and S. V. Miasnikoff, 19, were arrested while collecting the metal on East Seward Road.

Belaeff, previously convicted on a larceny charge, was sentenced to four months' imprisonment, while Shebalin was ordered detained for 40 days. Marich and Miasnikoff were remanded in custody for a week. According to information obtained from Shebalin and Belaeff, they were collecting the metal for a group of civilians, who were buying up scrap iron without asking too many questions. These sources are now being investigated by detectives of eastern area police stations and it is believed that behind this ring are unscrupulons Japanese civilians who organized the "racket."

Says Iron Embargo "Unfriendly"

The Japan Economic Federation adopted a resolution June 17 to notify the Australian Government and major Chambers of Commerce in Australia that the Australian embargo on exports of iron are was considered a "very unfriendly attitude toward Japan." The export ban was termed unfriendly not only from the standpoint of trade relations but diplomatic relations as well. A statement was drawn up by the Federation expressing a plea that the Australian Government reconsider by acting in concert with Australian economic circles and withdrawing the embargo.

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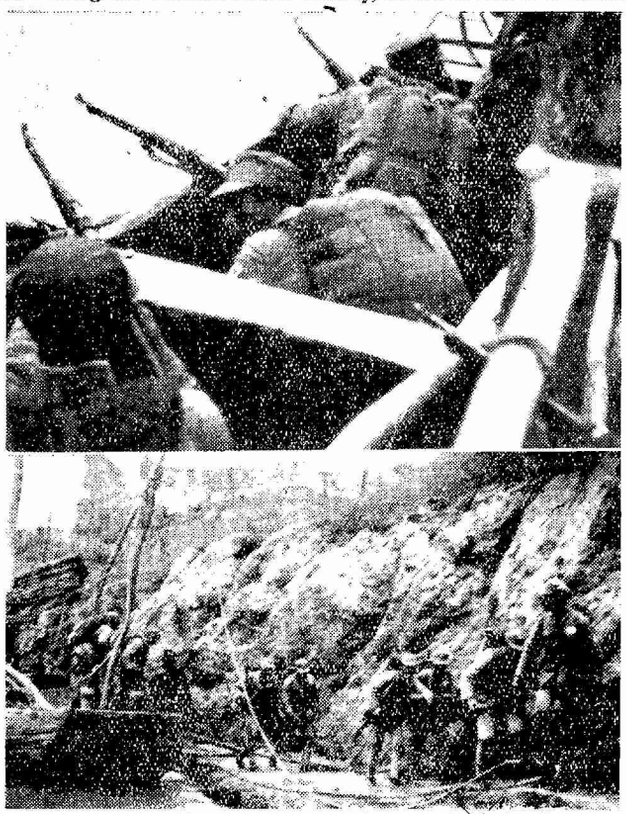
Hankow Prepares for Bitter Battle of the Yangtsze

THIS week, as Tokyo's foreign minister, Gen. Ugaki, warned powers that Japan intended to extend the scope of its hostilities in China and that foreign property perhaps would not be safe in territory south of the Yellow River bounded by Sian, capital of Shensi in the west; Ichang, in Hupeh; Hengyang, in Hunan and Pakhoi in Kwangsi, unless clearly marked with flags, Nipponese forces began a mighty offensive up the Yangtsze River, from Anking, with the smashing of Hankow as their objective. But prepared for Japan's long-talked onslaught against China's capital, were the Chinese troops, deeply intrenched in the Wuhan area, who gave tit for tit in many a see-saw battle this week against the mechanically-superior Japanese. With the opening guns of the drive on Hankow, Japan pressed into battle some 95 ships in the area between Tatung and Anking, on the Yangtsze, stationed some four divisions of troops at Anking itself, and in a right-flank movement, 20,000 men and 200 tanks began proceeding to Hsuchow along the Tientsin-Pukow railway, in the direction of Hofei.



Chinese guerilla bands operating against the Japanese forces along the line from Hangchow to Wuhu. Ambulances of wounded Japanese soldiers from this front were brought to Shanghai this week.

Even as the Japanese high command gave these orders, some 60,000 to 70,000 Nipponese soldiers began passing through Shanghai on their way to points along the river.

But, as Japan's warships moved into heavy concentrtaions and aided by the navy's bombers began an attempt to smash an almost-iron bound boom in the river laid down by the Chinese, the cracking of which would be, perhaps, the Open Sesame to Hankow, Chinese claimed eight of their bombers swooped down on Japanese warships June 19 and sank four of them. Then, on June 21, Hankow again claimed an air squadron attacked Japanese ships in the Tikiang and Tatung sector. They said several of the warships were hit. To these claims, Japan, several days later, admitted that a "transport was slightly damaged by Chinese aircraft."

Will the Chinese be able to hold Hankow? Many observer did not know the answer this week. Late in the afternoon of June 21, Japan started a drive towards Hankow in four columns. The first of these is stated to be advancing from Mengchen towards Choshan, on the Peiping-Hankow Railway north of Sinyang, via Fuyang. The second column is said to be proceeding from Chengyangkwan towards Sinyang, on the Peiping-Hankow Railway north of Hankow, via Hochiu. The third column, it is reported, is moving towards Hankow westwards from Hofei via Luan, and the fourth from Anking towards Kwangchi via Taihu. The Japanese forces west of Anhwei are said to be advancing towards Taihu, southwest of Tsienshan. Chinese troops, after evacuating Tsienshan, are now reported to be holding positions in the hills between Tsienshan and Taihu.

However, what advances Japan makes in China territory are always costly affairs. This week Chinese troops resumed widespread guerilla activities in North China and along the Tientsin-Pukow Railway. Such is the certainty Japan always faces as she pushes back a Chinese army. The scattered bands quickly form into mobile units which harrass Nipponese from the rear and inflict heavy casualties. (Chinese reports of renewed guerilla activity along the Pinghan and Tsinpu railways followed official Japanese statements admitting that Chinese forces had resumed the offensive in these areas, but claiming that all attacks had been repulsed.) Chinese reports claimed that Chinese troops had recaptured Chuantsao, 30 miles west of Nanking at the end of a Tsinpu spur line. Heavy losses also were said to have been inflicted on Japanese garrisons along the Tsinpu railway, and in scattered parts of Shansi, Shantung, Hopeh and Kiangsu provinces.

(*United Press* reports from Peiping quoted railway circles as having reported the massacre of all Japanese troops and residents of Tsaoho, eight miles north of Paoting, on June 19. Chinese guerilla units were said to have attacked a freight train near Tsaoho after derailing the train. The guerillas later were said to have attacked Tsaoho, wiping out the Japanese garrison and several Japanese residents of the twon. (Japanese reinforcements were said to have been rushed to Tsaoho and retaken the town from the guerillas who did not attempt to defend the town. It was worthy of note that trains proceeded only as far as Tinghsing, sixty miles south of Peiping, June 19.

After Japanese naval planes bombed Hainan Island for nearly a half dozen times this week, and France began to show a semi-belligerent attitude over the proximity of Japan to French territory. Japanese spokesmen in Shanghai intimated that Japan may begin military operations in South China shortly. The spokesman admitted in reply to questioning that the note of Gen. Kazushige Ugaki, Japanese Foreign Minister, to foreign envoys "for the first time" included South China in the so-called "danger zone."

However, since the world's vigorous denunciation of the bombing of Canton, and the strong protest of America, Japan's naval planes have shown little activity in the Canton area.

Receipts Believed High in "Bowl of Rice" Dinners

Seven thousand New Yorkers attended "bowl of rice" parties on June 17 to raise money for civilian relief in China while an estimated million were believed to have participated in similar program in all parts of the country bringing receipts to a predicted U.S.$10,000,000. Theodore Roosevelt, head of the United Council for Civilian Relief in China which sponsored the campaign, read a message from Madame Chiang Kai-shek outlining the tremendous relief problem resulting from war and floods.

"The woes of floods are now being added in the north to those of opium and other diabolic devices of death that the Japanese are using," the message from Madame Chiang read. "The floods obstruct our troops in outflanking the invaders and destroy fugitive Chinese to make room for the colonization of our earth by the Japanese who already are descending on our farms like locusts. From all directions homeless children are pouring in. For these helpless crowds we must make increasing provision."

Exactly what was raised by the "bowl of Rice" dinners has not yet been definitely stated.

The Red Cross drive in America which had been announced as a failure by the *United Press* because Americans subscribed only U.S.$750,000, instead of the U.S.$1,000,000 which was the goal of the Red Cross Society, cannot, after sober reflection, be deemed a failure. At the present rate of exchange in Shanghai, U.S. $750,000 will care for considerable refugees.

The Society originally hoped to reach the million-dollar goal within the first few months of this year but the response proved weak. President Roosevelt then made an appeal for more contributions, extending the closing day of the drive to June 15. Contributions poured in steadily after the President's message, more than U.S.$500,000 being donated in three weeks but despite this strong response the hopes to attain the set figure failed. Within recent weeks, the Red Cross Society has been the recipient of numerous requests for funds from organizations in China because of the threat of floods and widespread illness, lack of food and medical supplies.

In the name of the Chinese Red Cross Society, of which he is Vice-Chairman, Tu Yueh-sheng, president of the Chung Wai Bank in Shanghai, has donated $10,000 for the relief of the victims of the Japanese air bombings of Canton city.

By order of Dr. H. H. Kung, President of the Executive Yuan, the War-Time Relief Commission has remitted a sum of $200,000 to the Honan Provincial Government for urgent relief of the war refugees in Honan province.

General Ma Hung-kwei, Chairman of the Ninghsia Provincial Government, declared recently that his province is capable of accommodating 1,000,000 refugees. As the province is not densely populated, General Ma expressed the hope that Central Government authorities will send 1,000,000 refugees to develop the uncultivated land in Ninghsia. Because of the lackof communications, General Ma added, large quantities of coal produced in the province cannot be sent out at the present time and hoped that highways or railways will be built in the near future to connect the province with other provinces in the interior.

Million Said Suffering from Floods in North China

A million victims have been claimed by the destructive flood on the Yellow River in Honan, it was estimated on June 21 by three Japanese engineers who returned to Peiping after an inspection trip over the stricken region. The million total included those made homeless by the spreading waters, killed and injured, and the thousands forced to migrate to dry areas, or threatened by the encroaching tide. The last estimate of drowned was about 50,000 but there is no means at present of obtaining an accurate count. The Kaifeng Peace Preservation Commission today estimated that more than 100,000 persons were dead or missing in the flood area.

An area totalling 3,000 square kilometers has been flooded as a result of the action of Chinese soldiers in breaching the southern embankments of the river to halt the Japanese advance, the Japanese engineers said. The engineers made an optimistic prediction, however, that repairs to the embankments could be completed within a month at an estimated cost of Yen 1,000,000—if good weather continues. The weather factor was a very important one; in fact, the extent of rainfall in the next 30 days may determine the success or failure of the dike repair operations now proceeding on a big scale with the utmost haste. The Japanese engineers emphasized the necessity of ousting remnants of Chinese stroop from the neighborhood of the breaches in the dikes. The Chinese are constantly firing on Japanese repair crews and hampering their work, the engineers stated.

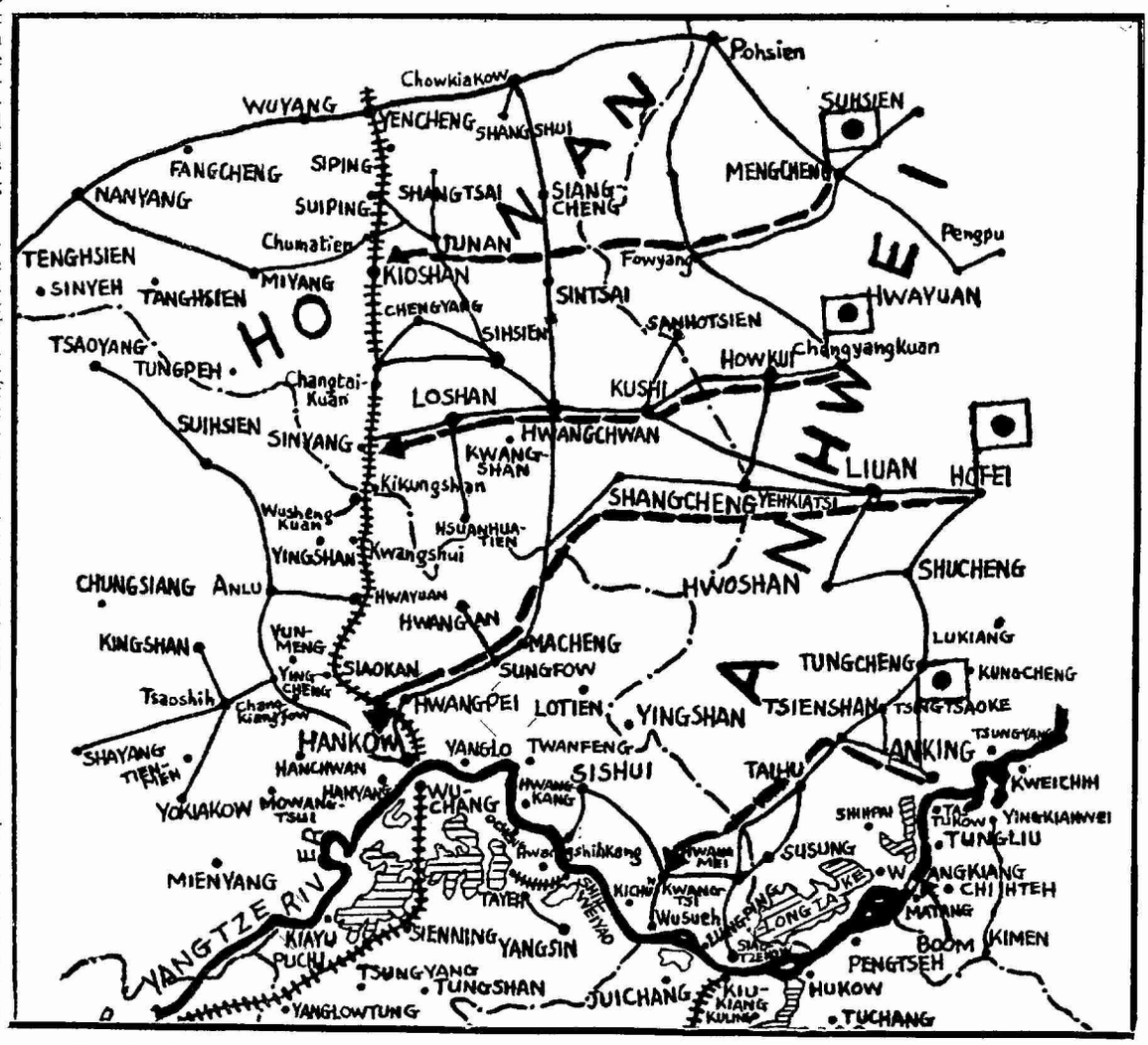
Million Sufferers

An estimate of one million sufferers in the flood also was given by the Kaifeng commission, which reported that about 303,500 houses have been inundated, according to incomplete information from those districts where a count is possible. Japanese troops rescued 10,000 persons in the Kaifeng area, 40,000 in Chuhsienchen and Tunghsu and near-by points, and 20,000 in the Weishih area, the Kaifeng commission reported. Forty thousand more refugees were estimated to have been rescued by Japanese troops in and around Hweihweichai, Erhshilipu and Wuchiachwang. With attention concentrated on human losses and efforts to save lives, no information on the damage done to farmlands and agricultural products is available at present.

The unruly, surging waters of the bloated Yangtze River this week threatened to pour over Hankow, already facing the menace of invasion by Japanese troops. Nationalist Government leaders, immersed in the difficult task of evacuating women and children to interior places of safety in prepration for the Japanese assault, were "struck with consternation" by the news that the Yangtze is sweeping over Kiukiang to the east, according to *Domei* reports received from Nanking.

The Yangtze is rising steadily, because of heavy rains and Hankow is exposed to a serious danger of inundation, the reports said. One-third of Kiukiang already has been covered by the dirty Yangtze tide, the messages stated. Kiukiang is located about 180 kilometers east of Hankow in the region often frequented by Gen. Chiang Kai-shek on his summer excursions. A report from Japanese military commanders in the Lunghai sector stated that traffic between Lanfeng and Kaifeng, west of Hsuchow, has been completely restored. Repairs were completed by the Saruya and Itami engineer corps. Restoration of traffic between the two points was regarded as a heavy blow to the Chinese forces in the Lunghai area. Meanwhile Japanese troops, engineers and Chinese farmers continued their strenuous efforts to fill up the gaps in the Yellow River banks in Honan to harness the campaging waters which have rolled over 2,000 villages and robbed half a million persons of their homes.

HANKOW—TERMINUS OF JAPAN'S DRIVES?



Japan's four-headed drive on Hankow: Mengchen to Kioshan; Chengyangkuan to Sinyang; Hofei to Hankow; Anking to Kwangtsi. All routes make connections with the Hankow-Peiping Railway.

Japanese Language Studied in North China

Japanese travelers will experience no great difficulty conversing with the residents of North China if the study of the Japanese language continues as heretofore. The Japanese language was reported being studied in numerous places in North China. Study of the language has extended even to the ranks of bandits, one report claimed.

Chinese School Uses New Books

The new Chinese Residents' Association at Nagasaki has decided to use in its primary school the new text books edited by the Provisional Government of China, according to the *Shanghai Mainichi*. Wang Chieh-tien and Hsu Yu-ju, teachers in the school, will be sent to North China to make arrangements for obtaining a supply of the books, the paper said. The primary school was reorganized by the association from the Jichu Primary School in Nagasaki and previously it had adhered to the principles of the Nationalist Government, the daily said.

New Rates for Bund Berthings

New rates for berthing at pontoons off the Bund will come into force on July 1, it was announced June 10 by the Shanghai Municipal Council as the result of the council's approval of several changes in fees recommended by the works committee. The new tariff will be as follows :—

(1) Power craft.—$0.04 per ft. of overall length per hour for the first twenty four hours, $0.03 per ft. of overall length per hour thereafter.
(2) Registered steel lighters.—One quarter cent per ton of registered tonnage capacity per hour or portion of one hour, minimum charge $0.50 per hour.
(3) Wooden lighters, native cargo or passenger boats, and junks :—
   (*a*) Over 50 ft. overall length.—$0.50 per hour or portion of one hour.
   (*b*) Not exceeding 50 ft. overall length.—$0.30 per hour or portion of one hour.

For private pontoons used by shipping companies moored opposite the Bund Gardens these rates will apply with a rebate of 50 per cent with a maximum rebate of $50 per pontoon per day. Power craft attending pontoons without cargo will not be assessable under the scale unless moored to a pontoon or to other craft so moored. Passenger craft waiting at pontoons will be assessed at the full sclae. These craft will be exempt from charges providing they leave the pontoons immediately their passengers have embarked or disembarked. It will be recalled that the Municipal Council previously decided to charge certain fees for the loading and unloading of cargo on the Bund from April 1 last, the matter to be reviewed in about three months' time.

Members of the works committee had before them a report by the Treasurer & Controller in which it was pointed out that the scale had been in operation for a sufficiently long period to permit reconsideration in the light of the practical experience gained and stating that in his opinion the following modifications are desirable :

(1) Elimination of the penalty feature for mooring over six hours and the introduction of a uniform fee based on time and size of craft.
(2) Cancellation of the six hour free period now conceded to lighters and native cargo boats.
(3) Incorporation of a tariff to cover tugs, launches and all passenger craft.

With regard to (1), it was pointed out that the penalty feature was designed to discourage idling with its resultant congestion. In general it not only failed to do so but constituted an obstacle to efficient control. It would be appreciated, the Works Committee agreed, that vessels which could not discharge within the six hour period had at the present time no inducement to expedite their discharging since the fee was the same for seven hours as for 24 hours. Being under the obligation to pay the quadrupled fee they were taking full benefit by remaining inactive at the berth to the detriment of other vessels. With regard to (2), the Treasurer & Controller stated that the six-hour free period allowed lighters and native boats had the effect of hindering control while at the same time in no way accelerating the discharge of cargoes—it encouraged idling. These craft ranged from about 30 to 600 tons capacity and all were allowed a flat period of six hours free of charge. Very few became liable to fees but those that did so paid heavily under the existing scale. The control of lighters and cargo boats at the pontoons was extremely arduous and it was considered equitable and necessary that they should be removed from the category of privileged craft. It was pointed out that the scale recommended and in which the foregoing modifications were embodied was based on the principle that the special expenses occasioned by the intensive use of the facilities such as repairs, etc. to pontoons, moorings and foreshere ; the cost of additional staff, extra policing and berthing supervision ; the rental of an additional pontoon, and the eventual reinstatement of the foreshore to its original condition, should be recovered as far as practicable from those using the facilities. All craft enjoying the facilities will be required to possess the appropriate license as at present.

Japanese "Baby Taxis" Begin Operation

Styled the "White Line Baby Taxis," 60 Japanese-built midget cars began operation in Hongkew and Chapei June 12 under the management of the Automobile Department of the Kiangnan Industrial Company, Ltd., a Japanese firm. Basic rates, computed by taxi-meter, were 30 sen for the first kilometer, 20 sen for each additional 1,000 meters. A 10 sen waiting charge for every five minutes in addition to a 10 sen charge for answering a telephone summons were also being collected. For 10 days beginning June 12, the operators announced a flat 30 sen rate for runs between any of the four following points : Garden Bridge, Japanese Naval Landing Party Headquarters, North Station and the Whangpoo River Wharves north of Soochow Creek. Taxi stands were established at the N.Y.K., O.S.K., and D.K.K. wharves, at the Garden Bridge, Hongkew Market, Chapoo Road, Scott Road, North Station, and the Nippon Commercial Union. The cars are not licensed by the Shanghai Municipal Police.

China's Walt Disneys

Just as helpful to the spiritual mobilization in China as the poster cartoons that plaster every city and town are the animated cartoons which are being flashed on the screens throughout China. The movie cartoons through motion and sound devices are rendering a vivid reflection of China's all-front resistance and the barbaric acts of the Japanese in their undeclared war in this country.

These war movie cartoons are being turned out by the Motion Picture Studio of the Political Training Board of the National Military Council. In the cartoon room of this studio in Hankow are the three of the country's four expert movie cartoonists working over-time for the wholesale production of war cartoons. They joined the studio in Hankow during October, last and have since turned out more than ten reels of an aggregate length of 4,000 feet. Half of the reels are plain war cartoons, while the other half give a cartoonist rendering of China's martial songs.

Through plain movie cartoons, many of China's war slogans are given a vivid interpretation. Thus the slogan, "General Mobilization" in huge Chinese characters is flashed on the screen and inspired by those characters are emerging the Chinese farmers, merchants, students and laborers marching with whatever weapons they have like one man and shouting in a chorus, "fight on and on." Similarly portrayed are such slogans as "whoever has money contribute money, whoever has strength contribute strength," "fight to our last man," "regain our lost territory," and so forth. Through movie cartoons are also shown the progress of the campaign of resistance on the various fronts, the movement of Chinese troops, their tactics of warfare and the positions occupied by Chinese and Japanese forces.

Many of China's war songs such as "March on, ye brave volunteers," "Arise, ye that want not to be slaves" have been adapted to the silver screen by the art of the movie caricaturists. In most cases, the singer, often in the person of a charming girl, is shown and as she sings, the words of every stanza of the song, its tempo and its sound variations are flashed below her. Sometimes, the words of the song are transformed into actions which they signify. All the war cartoons and the screen rendering of the war songs thus for turned out are being shown in all the cinemas in every city throughout the country. They are screened as the cartoon shorts preceding the various war movies like the one entitled "Protect Our Territory" as the main feature of the show.

To the rural towns and villages in every corner of the country, the movie cartoons are being carried by a fleet of movie vans at the disposal of the Motion Picture Studio of the Political Training Department of the National Military Council. It is before the illiterate peasant masses that the war cartoons are shown with the maximum of effect.

Special Certificates for Chinese Japan-Bound

Chinese desiring to go to Japan must hereafter possess special certificates issued by the "Reformed Government's Foreign Affairs Ministry," according to a set of regulations released to the press last week. Persons suspected of Communist leanings, or believed to harbor anti-Japanese sentiments, or those who had been deported by the Japanese authorities will not be permitted to apply for such certificates, the regulations stated. There will be two kinds of certificates, one for government employees and their families, and the other, for merchants, students, laborers, etc. Applicants for such certificates must forward their applications together with two photos and forms filled in by their guarantors. Having obtained such certificates, the holders must proceed to the Japanese Consulate-General for visa before purchasing steamship tickets.

Chinese University Students Live in Szechuan Temples

To make room of the very large influx of refugee students from the war areas, several members of the faculties of the National Wuhan University left the majestic lake-side campus in Wuchang opposite Hankow several months ago in the general "westward to safety movement" of Chinese institutions of higher learning. The migrant students from Wuhan resumed their classes at Kiating in interior Szechuan on April 28 with some 500 students and 40 faculty members. Showing wonderful adaptability—a typical Chinese trait—the university has converted several large temples at Kiating, including one dedicated to the worship of China's great sage Confucius, into provisional quarters for academic activities Kiating is an important city south of Chengtu, on the Min River, a tributary of the Yangtze River. Local authorities eagerly extended all facilities to the institution to make the pursuit of knowledge possible while the nation as a whole is engaged in its struggle against Japan.

Fish Hawkers Organize Against Puppet Regime

In view of the attempt on the part of the puppet regimes to collect exorbitant taxes for the sale of fish, the fish hawkers organized a mutual aid association recently. Co-operating with the fish hongs, the fish hawkers will not pay taxes, the *Wen Hui Pao*, reports.

The Mohammedan Rises Against Japan

BY C. Y. W. MENG (孟長泳)

"CHINA is now a united China!" When this is headlined and discussed, the observers generally mean—and could possibly see only—the unification between the Kuomintang and the "Communist Party" which have been at loggerheads for the past ten years. In fact, the national unification which has been accomplished goes far beyond that. It is a unification of the Chinese, Mohammedans, Mongolians, Manchurians and Tibetans—generally known as the "five races" which make up the Chinese Nation—as well as the many other tribesmen, aborgines or *Miao* on the frontier provinces. It is a true national unification in its true sense of the word, which is unprecedented in the Chinese long and continuous history!

Out of 500,000 wounded and dead who fought so bravely on the battlefields to oppose the Japanese invasion, there are some "Kwangsi tribesmen," "Kweichow miao," and "Sikong Lolos." So far as we know, at least two regiments, consisting of 3,000 men who fought in Shanghai and elsewhere, are Lolos, aborgines representing a number of tribes in the frontier district of Sikong, west of Szechuen. Of course, they are not fighting as Lolos but as Chinese soldiers, whose ancestrad pride and family tree are now being superseded by nationalism. We understand also that many Tibetans in Sikong are being trained for service, and among the able-bodied men volunteering from the frontier provinces are *Miao* and other tribesmen.

In April, in celebration of the "Taierchwang victory," a "Mohammedan-Mongolian-Tibetan delegation"—the first of this kind in the history—and presented to Generalissimo Chiang a flag bearing the phrase, "The Oriental Leader." Similar flags bearing the words, "The Defender of the City" were presented to other generals now directing the operations on the front. All these indicate that China is now united *politically, militarily, economically* and *religiously*, and that there is a "great mass awakening" among the Chinese people going on in China today! My study of the Northwest situation further convinces me that the 50,000,000 Mohammedans (according to the unofficial statistics) whose feeling with the Chinese has been by no means satisfactory in the past, have laid down their religious differences and have united with the other Chinese to present a united front to oppose the Japanese invasion. The following are some of my observations which I obtained in course of my study of the situation.

Japanese Attempt Spent

First: I realize that in the Northwest there is strong Japanese effort to destroy the Chinese unity and to separate the Northwestern provinces (Singkiang, Kansu, Ninghsia, Chinghai and Shensi) from China. While the Japanese invade and bombard the Chinese cities in many parts of China, they also invade and bombard simultaneously the Northwest by means of insidious propaganda, intrigues and other subversive activities in an attempt to force the Chinese to separate from the Chinese; "to buy over" the Mohammedans, and to "play off" the Chinese against the Mohammedans. (In Northwest, the majority are Mohammedans and minority is Chinese—Editor.

Secondly, I also realize that the Chinese authorities are quick this time in taking action to save the whole situation and have exerted full effort to protect the Northwest and to save the Chinese, principally the Mohammedans, from falling into the Japanese trap as the Mongolians and Manchurians have done.

Thirdly, I also realize that the *danger is now over*, and there is a "great political awakening" as well as sudden and simultaneous rise of strong national feeling among the Mohammedans, not only in the Northwest but in all parts of China. The Mohammedans not only turn a deaf ear to the Japanese pleas but help the Chinese authorities to arrest the Japanese agitators and workers—of course attached to the Special Service Bureau of the Japanese Army—; and they not only pledge their loyality to the Central Government but they are mobilizing to participate in the present war of resistance against Japan.

The "Great Mohammedan Kingdom"

As early as 1915, we are told, Japanese propagandists and agitators were sent to Northwest, to begin propaganda work. A Japanese, (濃秀雄) naming himself Ma Chen-lan, was secretly sent to Kansu to organize the so called "Black Dragon Society" and to issue a manifesto to ruffle the already existing ill-feeling between the Chinese and Mohammedans. Three years later, another Japanese (川村乙麻) was sent to the Northwest and his mission crystallized in a Mohammedan "riot" against the Chinese. This Japanese agitator was later arrested by the order of Gen. Ma Fu-hsiang, a Mohammedan general, the then Pacification Commander of the Province of Ninghsia, and was sent to the Japanese Consulate at Kalgan. During these 20 years, this agitator having various names has been principally in charge of the seditious work among the Mohammedans in Northwest, Northeast (Manchuria) and Peiping and Tientsin.

It is easy to understand the method which the Japanese propagandists and agitators use in furthering their subversive activities. First: they open trade contact with the Mohammedans, and remind them that the Japanese are the most faithful followers of the Mohammedan religion. Secondly, comes the sugar-coated doctrine of "racial self-determination" which is followed up by strong agitation to create a "Hui Hui Kuo" or the Great Mohammedan Kingdom. Thirdly, to vividly explain to and impress the Mohammedans with, the "dreadfulness" of Communism. The Japanese use this methods to deal with the Mongolians and Manchurians, and they succeeded in creating one puppet after another, and they are using the same method to deal with the Mohammedans in the Northwest in the past as well as the present.

But ever since the conclusion of the "first" Sino-Japanese undeclared war in Shanghai in 1932, the Chinese authorities have

STRANGLE HOLD THAT FAILS TO STRANGLE

Orr in the Chicago Tribune

realized the importance of the Northwest *in the event of the war with Japan*. The Standing Committee of the Kuomintang was reported to have drawn up some "general principles" to develop the Northwest. How far these "general principles" were carried out, we do not know. Recently, a number of high officials and commissioners were sent to the Northwest. According to reliable information at hand, inspite of the war situation which must undoubtedly occupy all his time, General Pei Tsung-hsi, a great Mohammedan general, took a trip to the Northwest short time ago. Sun Chen-wu, a Mohammedan leader, and generally acknowledged as an authority of the Mohammedan religion and problem, and now a member of the Mongolian-Tibetan Affairs Commission and a Special Commissioner of the Military Affairs Commission, was instructed to go to the Northwest "to pacify the people and soldiers in the Northwest." He stayed there for 80 days, and recently returned to Hankow. He reported to the Government that the "people (meaning, of course, the Mohammedans) and soldiers there are truly united and fully understand the importance of the present war against Japan." The Hon. I-Sar, a native of Singkiang, and a member of the Legislative Yuan, also went to the Northwest. He stayed there for three months. Recently he returned to Hankow and he was said to have reported to the Government that the "people and soldiers as well as all rank and file there are unitedly and sincerely supporting the Central Government and are prepared to resist the Japanese invasion to the last under the leadership of the Generalissimo."

"First" Mohammedan Anti-Japanese Mass Meeting

On January 28, 1938, in remembering the 6th anniversary of the conclusion of the first Sino-Japanese undeclared war in

(*Continued on page 136*)

Japan Hits a New Low in American Opinion

BY GEORGE KAO

EVER since the beginning of the present Sino-Japanese war the governments of both invader and defender have paid close attention to American public opinion. This interest and even concern in what the average American thinks about the Far Eastern conflict will be maintained for the duration of the hostilities. For in the United States, which is essentially a Democracy, any governmental policy or action in the field of foreign affairs must, in the last analysis, be prompted by what the people want.

But what is this elusive entity which Walter Lippmann called the "Phantom Public" and what is public opinion? In America there is no lack of ways and means by which people try to ascertain this tremendous political force. The editorials which appear every day in the newspapers published all over the United States are often regarded as a mirror of public opinion. But estimates show that from 75 to 80 per cent of American newspapers are conservative, therefore not representative of public opinion at large. Various straw votes are taken from time to time to afford the masses of people a chance to express their views on vital national issues. But polls may be conducted on an unscientific basis, such as that which was responsible for the downfall of the *Literary Digest* in its prediction of the 1936 Presidential election results.

Today students of public opinion agree that one of the organs through whose machinery American public opinion can be most accurately measured is Dr. George Gallup's American Institute of Public Opinion. By perfecting a technique called the "sampling referendum" the Institute has in the three years of its existence interviewed hundreds of thousands of voters, composing a true cross-section of the population in all walks of life, and reported their views on more than 500 questions. The Institute publishes its findings in an opinion news service, "America Speaks", with releases three times a week, now subscribed to and printed by some 60 leading newspapers of all shades of political opinion. Their readers are enabled to gauge, as nearly accurately as possible, what the nation as a whole thinks about politics, government, social problems, labor troubles, war and many other vital issues of the day.

On questions directly or indirectly concerning the Far East, the American Institute of Public Opinion has conducted no less than 15 different polls, ranging from the general question of American sympathies in the Sino-Japanese conflict to more specific issues such as the anti-Japanese boycott and the Ludlow war referendum.

Far East Poll

First, American interest in the unprecedented Far Eastern crisis is shown in the result of an Institute poll released on Christmas Day, 1937, in which a selected sample of the population was asked to pick the "most interesting" news events of the year. The first three "big stories" of 1937, by popular vote, were listed as: (1) Ohio floods 28.3% (2) Sino-Japanese war 27.8% (3) Supreme Court fight 27.5%. Among the men voting, Sino-Japanese war was listed as second, while among the women it ranked fourth. The Far Eastern crisis also seemed second important that year to the people of the Middle Atlantic and Rocky Mountain sections; third, to the Middle Western and Southern states. To the Pacific Coast the Sino-Japanese war was of prime importance in the eventful year of 1937; on the other hand, it was not considered one of the first five newsstories in New England.

The overwhelming sympathy that Americans have for China as victim of Japanese aggression is common knowledge. But it takes an Institute poll to ascertain this general truth and put it on an objective and scientific basis. As early as September, 1937, the Institute reported 43% of the nation sympathizing with China; 2% sympathizing with the majority "neutral," that is to say, unable or unwilling then to take sides.

Public opinion changes, however, especially in wartime when it is at the mercy of incidents. A month later, in its release for October 24, 1937, the Institute reports another poll of American public opinion on the Sino-Japanese conflict. This time the results showed those sympathizing with China predominating, with the neutrals in second place, and the pro-Japanese a poor third. It is interesting to note that the shift was 15% from neutral to pro-Chinese and 1% from Japan to China:

Sympathizing with China..... .....59%
Sympathizing with neither side.....40%
Sympathizing with Japan..... 1%

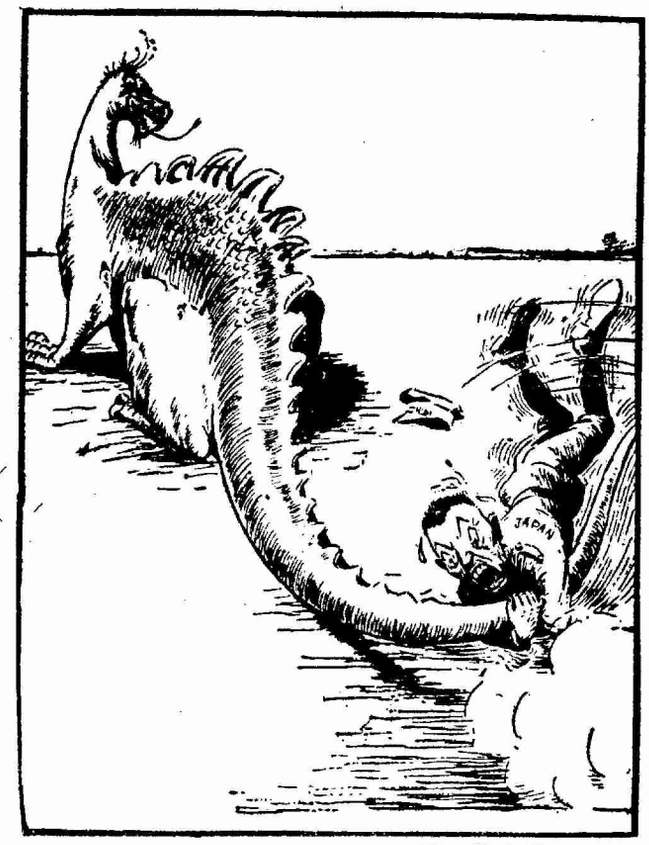
The increasingiy pro-Chinese attitude and abandonment of a "neutral" stand can easily be explained by Japan's increasing disregard of foreign rights and indiscriminate bombings of civilians since October. There is reason to believe from general impressions that American public opinion against Japan was inflamed to greater heights by the end of last year when the U.S. gunboat Panay had been sunk by the Japanese and from them on, as the invader shows no sign of desisting.

In spite of instantaneous and widespread sympathy for China, earlier Institute polls on the Far East revealed American sentiment as still inclined to the isolationist. The majority favored withdrawal of American troops from China, disapproved an anti-Japanese boycott, and frowned on supplying arms to either China or Japan. Analyzed on basis of geographical sections, Southerners and Middle Westerners cast a greater proportion of "neutral" and "no opinion" votes than any other section. They were most anxious to withdraw U.S. troops from China, and indicated much less support for a boycott of Japanese goods than the coastal states. The South had the Middle West take much of their opinion from the farmer, and the farmer's characteristic "hands-off" attitude on matters abroader was strikingly apparent in the Institute's surveys.

Boycott Favor Graws

The trend of American public opinion has been modified considerably since the early months of the war in the direction of positive third-party action to stop Japanese aggression. As organized anti-Japanese boycott movements have been launched in England, America and elsewhere, today a much larger percentage of the American people has come to recognize the desirability and efficacy of the boycott as a weapon against continued Japanese military aggression. This is substantiated in a recent survey by *Fortune Magazine*.

I'VE GOT HIM THIS TIME



New York Times

The authoritative Fortune Quarterly Survey is conducted under the direction of Elmer Roper who, together with Dr. Gallup of the Institute, pioneered the selective and sampling method of measuring American public opinion. Although the survey reflected American opinion as remaining on the whole isolationist and pacifist, to the specific question: "Are you in favor of boycotting Japan by refusing to buy Japanese goods? the answers are tabulated as follows:

Yes.....57.5%
Partly 7.8
No.....25.0
Don't know 9.7

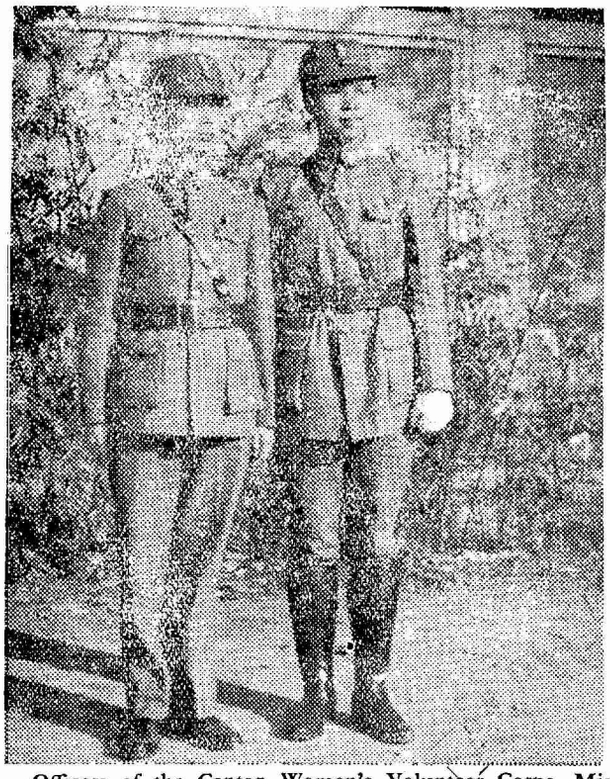
Opinion in favor of collective security and economic boycott against the aggressor nation is particularly emphatic among liberal elements in the United States. This is shown in a nation-wide poll on "A Foreign Policy for America," sponsored in the last few weeks by the liberal weekly *The Nation*. Although *The Nation* poll does not pretend to give a cross-section of general public opinion on the issue, it is already surprising, in

(*Continued on page 136*)

China's Students Will Fight!

IN March of this year, in Hankow was held one of the most novel and important conferences in China's history. To the new capital of their beleaguered Fatherland, went hordes of students from cities, villages and hamlets throughout the nation to denounce in convention the aggression of Japan, to lay plans for the youth of China to rebuild, to rehabilitate a country crushed under the impact of war. Significance of this conference, made up of youths from schools, from national salvation work, from the battlefront, was that it offered one more indication that the effeminate, scholarly type of student, preening himself only on his knowledge of the classics, is fast disappearing from view in China. In its place has risen a militant youth, unafraid of physical conflict; no longer viewing the life of a soldier as uncouth, distasteful—a youth infused with patriotism who is beginning to place allegiance to government on an equal footing with filial piety.

The convention was held under the banner of "The Duty of Chinese Students in the Protection of the Fatherland and World Civilization." Following, in part, is the report presented by the presidium of the Chinese Students' Union for National Salvation:



Officers of the Canton Women's Volunteer Corps, Miss Wong Wei-chun, assistant commander, and Miss Yuan Pin-kwang, commander.

This convention is being held just at the time when the life of our fatherland is seriously menaced and world civilization in danger of being destroyed. With the raising of the aggressors' torch by the Japanese, many of us can no longer attend school and under the savage bombardment of the enemy's planes we can never with an easy heart sit down to our studying, but many of us wander here and there and become homeless. Under the guidance of our highest commander, Generalissimo Chiang Kai-shek, the government has carried on its brave resistance for eight months. That all our people march to the front with an avowed determination to crush the Japanese "pirates" indicates the unconquerable spirit of the nation in her effort.

We students, ought to work hand in hand as intimate and kind to each other as brothers and sisters, to help the government in its resistance, and to drive out the Japanese, at the same time accomplishing the work of national rehabilitation. Our parents and the veterans of the nation always praise us as the master of the nation of tomorrow, and public opinion estimates us as the elite of society. We should not discourage them in this opinion. The more serious our nation is at the time of crisis, the more enthusiastically we should carry out our glorious mission.

Fellow students, we are all convinced that we, the hot-blooded students of the nation, must fulfill the expectations of our parents, brothers, and sisters and that in answer to our teachers and the veterans of the nation we should try our best to serve society and the nation. Certainly we wish to use the blood that boils within us to preserve China's national independence and freedom. Our great revolutionary leader, Dr. Sun Yat-sen, left us not only the "Three Peoples' Principles" to save the nation but also especially warned us in the following teaching: "Ambition is one of the most important things for students." Nowadays ambition of is to develop the well being of the whole people. For instance, what should be the ambition of Chinese youths? To rebuild the Chinese Republic, so that in the future we can keep pace with all western nations." He added: "Students should be ambitious to do great things. What is the real meaning of great things? Generally speaking, whatever you are able to bring to final success is a great thing."

Purpose of Government

Our highest commander once said: "from each, according to his capacity to work of society. To re-build and regenerate the nation is a great undertaking that can be accomplished by no others except the students of China in day of tomorrow."

The purpose of the government in spending a lot of money in running schools, is to train useful talents for the nation and society, and our purpose in learning is also to get knowledge that we can use in working, for nation and society. The essentials of students' movements suggested by the World Students' Union to the students of the whole world are as follows:

"Students of today are becoming more active than in the past. They join in the actual social life of people by acting as protectors of world civilization, as organizers of mass education schools as pioneers of rural education, and so forth. The students of the whole world have demonstrated their duty toward society and become more conscious of the need for uniting with the people. Meanwhile, student organizations engaging in activities to preserve world peace and freedom—the essentials for progress and a developing civilization—become greater and greater in number."

Our Convention is held in accordance with the above mentioned points to decide the direction to be taken by the Chinese students' movement.

I. The general condition of Chinese students

China is a great nation with a vast territory of 11,000,000 square miles, a large population of 450,000,000 and glorious history of 5,000 years. She has produced the world's greatest philosophers and thinkers. Chinese students are a section of the intellectuals of China. We must discharge our duty in protecting our territory, our people, and our civilization. We should inherit all the excellent properties of our ancestors have given to us in this country and prevent them from being occupied and ruined by our enemy.

Ever since world imperialists encroached upon our land and civilization, our backwardness in economics has begun to be disclosed. As a result Chinese people have suffered from all kinds of oppression from without, we students especially being ill-fated. An overwhelming majority of Chinese youths lack the chance of receiving education. When we compare our opportunity for enjoying an education with that of the youth of other nations we can fully realize the position of Chinese students:

Britain	one college student in every	885
Italy	" " " " "	808
Germany	" " " " "	604
Holland	" " " " "	579
Swiss	" " " " "	271
France	" " " " "	240
Swiss	" " " " "	193
U.S.A.	" " " " "	62
U.S.S.R. (Including students of technical schools)	" " " " "	35
China	" " " " "	10,000

There are about 42,000 college students in China and 108 colleges. There is one college girl in every 100,000. There are 540,000 middle school students with 3043 middle schools in China. There is one middle school student in every 1,000. Among above mentioned nations all except China, carry out free popular education, Generally it is up to senior primary.

The chance for Chinese youths to receive education is small, but also, because of the imperialists invasion of China, and our economical and industrial backwardness, even those who graduate from university or college are not able to develop their talents, being mostly unemployed or engaged in work unfitted to their special training. What is the principle reason for the misfortune that has fallen upon Chinese students? On the one hand, we may place the fault upon the peculiality of the Chinese traditional social system, and on the other hand we may say it is principally due to imperialism, especially the Japanese imperialist's oppression and aggression in China. Only when we get rid of such oppression and aggression may we, the Chinese students, walk on the way to freedom and well-being.

The revolution in 1919 to overthrow the Manchurian dynasty, the movement in 1915 to protest against the 21 demands presented by Japan, and the blood-shed in 1925 in Nanking Road, Shanghai, were all organized and led by Chinese students. They were the pioneers of the Chinese students movement, and because of their brave struggle in the past, we are able today to work in the same direction for new and far reaching developments. In almost every revolutionary movement of the past reflects the position and function of modern Chinese students.

From such circumstances have developed the following characteristics of the Chinese students movement:

First, the movement is in close touch, with the work for the emancipation of China as a nation directly or indirectly against imperialists, especially Japanese imperialists. Accordingly, in the violent surge of movement for the national emancipation of China, it grows and becomes an effective army to fight for the cause.

Shanghai's 1932 War

Second, the movement is always the driving force of every principle political incident in China. From the beginning of the revolution, Dr. Sun Yat-Sen kept in close contact with the students in the country and abroad, also his "Three People's Principles" first won the approval of the Chinese students abroad. Afterward the movements of 1915 and 1924, the Mukden incident of 1931, and the Shanghai war of 1932, were all originated by the Chinese students.

Because of these characteristics, the Chinese students have won the most admired positions in every political movement, but also because of these very characteristics the Chinese students movement inclines to politics rather than to the problems of students themselves. Consequently, the students' movement in China has not developed equally on all sides. The Chinese students are born in an environment of a backward country, externally invaded by imperialists and internally worried by politics, so that we cannot study with an easy heart at school or find an outlet after school. Accordingly, besides studying we must join hands in political activity to look for our proper outlet.

II. The disaster brought by the Japanese on the Chinese students

Ever since the outbreak of the Mukden Incident, 1931, the Japanese imperialist has occupied our land, massacred our fellow, countrymen, raped our women, looted our properties, destroyed our civilization, and especially slaughtered Chinese students. After occuping the northeastern provinces, the Japanese destroyed all intellectual organs and schools there. The campus of the well-known North-east University has how become the camp of the Japanese army. The Chinese language as well as Chinese history, geography, literature, and all kinds of Chinese text books have begun to be prohibited and replaced with Japanese texts. During the Shanghai war of 1932, the greatest publishing house, Commercial Press and the best library and the schools in the woosung area were all bombed and completely destroyed.

During the Lukouchia Incident, the Japanese imperialists employed the most barbarous methods to destroy Nankai University. At the fall of Pei-Tsin, the first cultural center of China, the greatest library of China, national Peiping Library with 50,000 fell into the hand of the Japanese and all rare historical books were stolen to transport back to Japan, while nationalist and patriotic books were destroyed in a bonfire and the rest were sold to second-hand book dealers. As a result of Japanese aggression 75 colleges out of 108 in the occupied area fell. Those students lose their schooling and wander everywhere and it is the same with the 1500 middle-school students.

Our fellow-students of north-east, driven by the enemy's bombardment, scattered to various places. Some have offered themselves in the northeast and some wander in China proper. They wandered first from the north-east to Peiping and Tientsin and then Shanghai and Nanking and on to Hankow.

Formerly, when we believed that the Japanese war would break out, we took oath that we would neither escape nor hide, but stuggle with the Japanese 'devils.' At present the anti-Japanese war has actually begun. We miss our parents, we are homeless and have become a group of wandering children without any support yet we do no weep nor feel sad. On the contrary, we feel only pleasure, anger, and encouragement.

III. The solution for the Chinese students

The fate of Chinese students is intimately related to the fate of our fatherland. With the emergency of national extinction facing us. We can avert diaster only by protecting our fatherland and emancipating the nation. The Japanese attempt at colonizing the north-east has taught us a bitter lesson. Should the rest of our country fall into their hands, we would get our full measure of the privilege of imperial enslavement. We do not like war. But as we are overcome by disaster, we can only get rid of it by shatterng the shackles with which the enemy is trying to tie us. It is a historical and grand undertaking for the whole people and the students to save our fatherland. Of course it is rather a heavy burden upon us, but on the other hand we should feel its utmost glory. This hard task cannot be accomplished by a few and by common method. We must unite the students of the whole nation to build up a new spiritual wall and help the government and the army in the resistance for the final victory.

Fellow-students: Though our nation is suffering from an unprecedented crisis, we are firmly convinced the outlook is bright and we know that we will win this war and attain our goal—freedom, emancipation, independence, and equality. We believe this not only because we have faith in our nation but also we can point out facts from the life that we have experienced during our resistance which give basis to this faith. What are these facts?

Since beginning of our resistance what has inspired us most of all is that the whole nation has been really united in the its efforts. National unity is one of the main guarantees of our victory over the Japanese. Under the guidance of Generalissimo Chiang Kai-shek closely backing the government, we intend to resist to the finish. Our army under his command launched a several attack upon the aggressor; many bravely laying down their lives. The people of the whole nation concertedly supports the government in order to achieve final victory; the people of the world extend to us their sympathy and assistance. All these are facts promise us eventual triumph, despite the facts that in the prosess of resistance we unavoidedly have sustain certain temporary losses in territory as well as having received military setbacks. We should not feel discouraged, but on the contrary, out to learn lessons from past failure and consider them as merely testing our determination to resist to the end.

Our only purpose is to resist Japan for the purpose of saving China. We pay no heed to differences of faction, faith, race, district, profession or sex. We should all be united in one and the same organization with the government as guide.

Since we wish to work harder in serving our nation and its people, it is essential that our activity be directed and assisted by the government. We are convinced that the purpose of the national government is to guide the nation in effective resistance. Accordingly the government will anerove and assist our activity as it is directed toward strengthening this resistance.

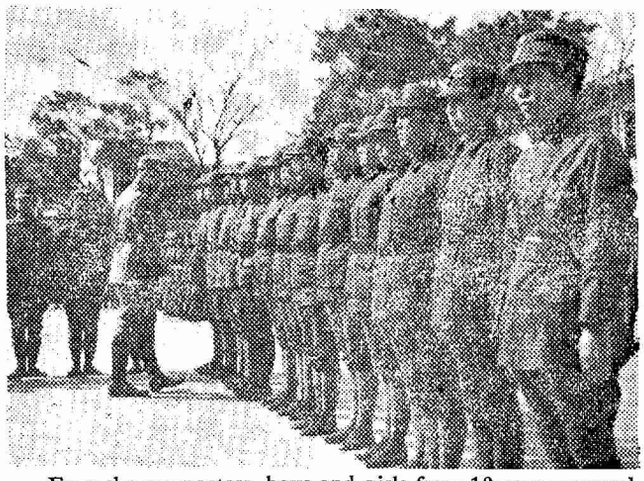
IV. The duty of students in war service

What can the students do and what ought they to do as their share in resistance? Military service is the duty of every citizen During the present crisis of our fatherland to take part in military

(*Left*) **College students in Kwangtung being trained for service in the new armies now being organized.** (*Right*) **Girls, not to be outdone by their brothers, also enlist for training in the women's volunteer corps also being organized in Central and South China.**

service is not only our duty but also our most glorious mission. A long time ago the government promulgated the conscription system. But because on the one hand, China used a recruiting system in the past, and the traditional conception is "a gentleman will not be a soldier," and on the other hand there are still some imperfections in our conscription, system, this system has not yet been fully carried out. We are all student youths, and we can understand the real significance of the conscription system. When the government mobilization order comes, we should join the army at once. Meanwhile until recruit the conscription system is completely effective, we should help the government recruit new soldiers and we ourselves should voluntarily go to the army as pioneers.

We want to establish mechanized regiments. To achieve this aim we must have specially-trained men who can use modern-styled



Even the youngsters, boys and girls from 10 years upward, receive military training.

weapons. Our nation and our parents have spent much money for our education. We should learn how to master the use of modern weapons. Consequently, we may become familiar with the new techniques in aviation, and in the use of machine guns, heavy guns, in the methods of chemistry and industry. This ought to be our aim and source of pride.

We heartily appreciate the sympathy and assistance extended to us by the fellow-students of the world we wish to struggle hand in hand with them to preserve world peace and civilization. We sincerely sympathize with our Japanese fellow-students who have struggled against war and Fascism, 7,000 of whom have been arrested by Japanese militarists. Our convention wishes to extend to them our earnest reggards. We are convinced that our Japanese fellow-students under the banner of the World Students' Union will be able to struggle on with us hand in hand in the interests of liberty and civilization in the Far-East. Arise, fellow-students of the world! Let us fight on together for the protection of world peace, liberty, and civilization!

Japan Profiting Under New Customs Schedule

THANKS to a timely publication issued through the Shanghai British Chamber of Commerce, writes John Ahlers in the *China Press*, the full text of the new customs tariff which in the Japanese-occupied areas in China was enforced as from June 1, 1938, is now available to the public. The "Reformed Government" has officially explained that the above special tariff reductions, below the level of the tariff of 1930, were "particularly needed for the relief and the rehabilitation" of the Japanese occupied areas in China. It would be difficult, however, to prove that rayon, tea, chinaware, apples and oranges really are commodities which must be imported cheaply and in great quantities in order to relieve the distressed population of the areas in question. China herself is producing artificial silk, tea and chinaware in abundance, and in these goods would need better tariff protection instead of tariff reduction.

Obviously, the special tariff reductions in these as well as in most of the other articles as enumerated in our table have been effected with a view chiefly to the interests of Japanese export industries, and of other Japanese business interests. A study of the returns of the Chinese Maritime Customs reveals that even in pre-war times Japan participated in Chinese imports of the goods on our table to a total of 35 per cent, i.e. to a much higher degree than that of Japan's participation in the total of China's import trade. The German interest in the special tariff reductions amounts to 25 per cent, while that of the British Empire is only 16 per cent and that of the United States is negligible.

Duty-free Goods

In addition to the special tariff reductions the following goods, under import duty in the tariff of 1930, have been declared duty-free—the statement that these exemptions from customs duty are but temporary ones means nothing since the whole of the new tariff is declared to be but temporary—in the new tariff:

(1) Rock drills, coal cutters, exploratory boring machines, mine ventilators of large size, winders, tipping wagons, power shovels, excavators, and other machines, implements or tools for mining, and accessories and parts thereof.

(2) Blast furnaces, converters, open hearth furnaces, reverberatory furnaces, rolling mills, crushers and other grading, concentrating and refining machines, implements or tools for dressing and metallurgy, and accessories and parts thereof.

(3) Planting seeds for cultivation (agricultural crop seeds).

(4) Serums and vaccines.

The first two of the above four groups of customs duties' exemptinos are obviously in favor only of the new Japanese Development Companies which are going to monopolize the mining and iron industries in the Japanese-occupied parts of China. Exemption group three is in favor of the Japanese cotton planting schemes in North China. Only the duty exemption for serums and vaccines has really something to do with relief, provided the Japanese will not introduce in the near future a new pharmacopoeia in favor of their own pharmaceutical products.

He who claims to adhere to a certain principle must do so fully and in every respect, if he does not want to be branded a hypocrite. When he applies his alleged principle only where he finds it advantageous. and forsakes the principle where he can obtain advantages on another basis, he will have forsaken his claim of adhering to any other principle than that of caring only for his own interests. The Japanese claim that the new tariff embodies the principle of the tariff of 1930. therefore, cannot be recognized.

New Tariff Positions

The following is a list of the new tariff's positions, the import duties of which have been established considerably lower than in the Chinese Maritime Customs tariff of 1930 (which furnished the base for the calculation of the remainder of the new tariff rates):

New Tariff No.	*Name of Article*	*Tariff Unit*	*Duty in Gold-Units or %* *New Tariff*	*Tariff 1934*	*Tariff 1930*
81	Gunny bags, new	100 kg.	2.30	4.50	3.80
97	Woollen piece-goods, n.o.p.f.				
	(*a*) under 200 grammes per square meter:				
	(1) with warp wholly of cotton.	,, ,,	110.00	220.00	198.42
	(2) others.	,, ,,	110.00	220.00	462.98
	(*b*) between 201 and 400 grammes per square meter:				
	(1) with warp wholly of cotton.	,, ,,	105.00	190.00	138.89
	(2) others.	,, ,,	105.00	190.00	413.38
104	Artificial silk, floss and yarn.	,, ,,	81.00	120.00	95.90
163	Iron and Steel, ungalvanized: Sheets and plates:				
	3.2 mm. thick or more.	,, ,,	0.60	1.10	1.01
	under 3.2 mm. thick.	,, ,,	0.70	1.40	1.29
176	Iron and steel, galvanized: sheets:				
	(*a*) corrugated.	,, ,,	1.50	2.70	2.48
	(*b*) plain.	,, ,,	1.60	2.80	2.65
216	Agricultural machinery.	value	free	7.5%	5 %
258	Fish, fresh.	100 kg.	2.00	5.30	3.64
259	Herring, salt.	value	10 %	20 %	0.88
262	Fish, salt, n.o.p.f.	,,	10 %	20 %	0.91
267	Seaweed, long	100 kg.	0.70	1.30	1.30
299	Tea, others than black tea dust.	value	20 %	35 %	30 %
302	Apples, fresh.	100 kg.	1.50	5.70	4.30
307	Beans and peas.	value	5 %	15 %	10 %
345	Oranges, fresh.	,,	20 %	5.80	4.30
405	Ammonia, sulphate of	100 kg.	0.50	1.20	1.22
513	Paper, common printing and newsprinting:				
	(*b*) other than in rolls.	,, ,,	1.60	2.60	2.65
576	Chinaware.	value	25 %	50 %	40 %
617	Fertilizers, not chemical or artificial, N.O.P.F.	,,	5 %	10 %	7.5%

Soap-Maker and Boy Bus Conductors Arrive to Reconstruct China

The large group of Japanese industrialists, experts and advisers sent here for the purpose of "reconstructing" China was further increased on Saturday, June 11 when the Shanghai Maru docked here on its last trip from Japan. In this group were Tokahiko Shimazaki, director of the waterworks bureau of Nagoya and Tokusaburo Ikeda, head of the waterworks bureau of Osaka and Misao Kataoka of the general affairs department of Nagasaki.

In addition there also arrived Tomiro Nagase, famous soap manufacturer, president of the Kao Soap Company, who will make a survey of China from the standpoint of soap opportunities.

Other passengers included Masaki Ishiguro, representative of the Nikka Cotton Spinning Company and Vice-Admiral Teikiro Sugisaka, who is now serving as an adviser to the Oriental Development Company.

Finally, there were some 20 boy bus conductors, brought here by the Hsing Chung Kungssu, subsidiary of the South Manchuria Railway Company who, after preliminary training here, will be sent to Nanking and Hangchow to operate new bus services recently setartd in the two cities.

How China Is Guarding Her Back Door

BY HIN WONG

LOLOS and other aborigines along China's frontier provinces, such as Yunnan, Kweichow, and Szechuen, are to be assimilated into Chinese civiliztaion; and the local offices of the National Military Affairs Commission has despatched a committee to these areas to devise ways and means to do so. At the same time, the Academia Sinica and the National Central Museum are sending a joint expedition into Sikang and Yunnan to study he origin, nature, and character of these racial tribes so as to best co-operate with this minor section of Chinese citizens. At present, the educational film division of the Chinese Government, now in charge of the University of Nanking, which is interested in presenting pictures to the frontier people as well as taking some scenes from them, is ready to work with other agencies in promoting the educational and general welfare of China's neglected man-power.

According to Li Wan-fang, secretary to the Committee of the Military Affairs Commission on Frontier People, Chinese approach to the aborigines henceforth should be made through better knowledge and sympathy with frontier affairs, trying to show by deeds rather than by words, means by which large unproductive areas may be made profitable. Li condemns strongly past militarists who have been trying to suppress the Lolos who, it is said, are one of the most courageous of China's races. This trait of the Lolos, together with their special adaptation to horsemanship and guerilla warfare, may be trained and developed to the best advantage of the Chinese Army in certain war zones in the north and other sectors of the front.

Some of the aborigines are still suspicious as well as superstitious of things Chinese. All existing social and religious institutions of the frontier races, unless detrimental to the immediate interest of the Chinese Republic, should be allowed to reform themselves by time and education, if necessary. Persons now interested in the assimilation of the aborigines to Chinese civilization are in favor of doing so from within through the introduction of social service and helpful leadership.

One-Third Tibetan

More than one-third of the population of Sikang is Tibetan, in addition to other minority races; and in order to bring this important outpost of China into active co-operation with other members of the Chinese Union, it is now thought best to admit this territory legally into the full status of a province. To do so, it is also being considered wise by some to restore Sikang into her ancient prestige and glory by receding to her some of the districts now governed by Yunnan and Szechuen. This action, if followed, would lead the present Sikang local leaders to believe that the central authorities are trying to strengthen and not weaken the Sikang Government. Of course, the reaction of Yunnan and Szechuen to this suggestion is yet to be had.

The present territory and population in Sikang, wholly under Chinese civil rule, are still insufficient to influence the other sections who are still subject, voluntarily at least, to tribal jurisdiction which Chinese officials, as a matter of tact, would not dare to disregard. In fact, some Chinese republican officials, have been trying to court the favor of the chiefs in order to maintain their own position in the community.

China, to find a new way out to the sea and to the continent of Europe, must now utilize her frontier provinces. She cannot successfully do so without the support of her frontier people. Individual Chinese citizens interested in the development of the frontier territories commercially have begun to organize themselves with headquarters at Kangting, Sikang, while the central Kuomintang and government leaders are working hard on an organic act which would promote Sikang to full provincial standing without further hitch.

Lolos Are Recruited

A battalion of Lolos, aborigines of the frontier provinces of China, is now in Chengtu, Szechuen, on its way to Chungking, the wartime capital of the Republic, to be inspected by the recruiting officers of the Military Commission before being dispatched to the front for active service. Since the war, many Lolos, Miaos, and Tibetans of Yunnan, Kweichow, Sikang, and Szechuen have joined the Chinese Army as individuals without tribal distinction, all as citizens of China; and the present unit from Sikang is one of the first expression of united front from this western territory.

Since the war, provinces of China have been brought closer to one another. Szechuen is being prepared to supply the 500,000

(*Continued on page 135*)

COUNTRY PEASANTS AND CITY LABORERS UNITE FOR DEFENSE

Demonstration by factory workers in Hankow district— *Upper Left*—**Employes of Maritime Association, War Ministry Textile Factory and Ricksha Pullers Guild; note banner bearing picture of Gen. Chiang Kai-shek.**

Upper Right—**Member of the Political Department of Military Affairs Commission addressing crowd.**

Lower Left—**Propaganda truck in Chungshan Park, Hankow, where patriotic meetings are held.**

Shanghai Is a Tough Town!

BY GEORGE RUE LETTE

THEY used to call Shanghai a "tough town." It always was a moot question, especially with Shanghailanders, whether the city was deserving of the title. Whether it once was true, does not matter now. There isn't going to be any question about it for the future, if the state of affairs now existing, continue. The baser Japanese elements here, the unscrupulous Chinese and the Formosan puppets in the "Ta Tao Government" have set up the neatest Tenderloin, Bowery, Limehouse, call it what you will, Shanghai has seen in many a decade of its history.

Since Japan's army settled down in this area for a Roman Holiday, dope-running, gambling establishments and houses of ill-fame have flourished under encouragement of Japanese in their occupied districts. With them has come, in greater abundance, for China has always had vice, every modern evil which is destructive to both the body and soul of the Chinese. The same holds true in Manchuria and North China where Japan undeniably is fostering the opium traffic. Shanghai is no exception to these evils. Gambling establishments have sprung up like mushrooms in the western district since the occupation of the Japanese. The whole district, from south Connaught Road, Jessfield Road, Yu Yuen Road to Great Western Road, has twenty gambling establishments, allegedly operated by Japanese. In some instances, the gambling joints are alleged to be operated by foreigners. Some gambling tables are located on roads sides near the entrance of the "Ta Tao Government", police-stations. It is a pitiful sight for parents of gamblers to see. In good old days when the area was under the control of the Chinese Municipality of Greater Shanghai, no gambling fever like this was in evidence.

Gambling establishments are numerous off alleyways around Connaught and Jessfield roads where many mills are located, and mill hands are plentiful. Their hours in mills are long and their wages are low. When they finish work, they want to try their luck at the gambling tables. As their capital is limited, their chance of winning is very small in the long run. Consequently, the gambling dens around this district are profitable and prosperous. Those dens at Yu Yuen and Great Western Roads are better equipped, and their clients are of the "gentleman type", as these sections are residential quarters and the residents are in the higher brackets of society. There are twenty gambling establishments in the Western District, excluding those gambling tables operating on road sides which are difficult to enumerate as they are moving about from time to time. During and around the time of the Dragon Festival, these gambling joints were suspended for some obscure reasons. In the last two weeks, however, they have opened for business again. It is alleged that each establishment pays from $10 to $50 a day as "cumshaw" to the "Ta Tao Government," while the capital varies from $5,000 to $250,000.

Place Your Bets!

The writer recently visited a establishment named "Hsiang Sing Club" at an alleyway off Yenping and Connaught Roads; it occupies a large foreign-style two story house, with a large garden, the rent of which is reported at $300 per month. The maximum bet per game per person is limited to $200 while the minimum may be as low as ten cents. The managers say the total profit or loss a day may run as high as $15,000. One gambler won five hundred in a few minutes and made a hurried exit in motor car. More than five hundred persons of all ages and of both sexes were present. Hard working men, youths, and even girls were swaggering up and down silently and with cheerless faces around the tables. Dominoes, dice, poker, roulette, Fan-tan, etc. are the principal games, while the dice table is most popular.

This establishment is operating in a tough section of the city, where thieves and ruffians of all sorts are numerous. If by chance one should win a considerable sum of money, he is very likely to be robbed while on his way home. Chinese dailies have reported numerous cases of this nature. There many "spies" in these establishments whose business is follow the heavy winners. In almost all these cases, as reported in newspapers, the victims are helpless as the police pay no little attention to this sort of happening in the Japanese occupied areas, where the roads are narrow and crooked and lights are few and dim.

These establishments are open for business daily from 12 a.m. to 11 p.m. No admission ticket is required. At the entrance there are watchmen and gate-keepers, who do not ask questions so long as the visitor does not appear suspicious. It is said that all these establishments are either directly or indirectly run by the Japanese, but the one the writer visited had no Japanese inside. According to a newspaper report sometime ago, a gambling establishment was raided by the Bubbling Well Road police, and the Japanese manager of the establishment was arrested together with his Chinese partners, who allegedly admitted their interest in the business. This establishment, at the time of arrest was made, was located in Lane—Yu Yuen Road, and it was called "The Asia Amusement Club." At present, red paper posters, about 2 feet by 6 inches, bearing the name of the "club," are pasted on nearly every telegraph pole along Yu Yuen Road, and it is certain that the "club" is still there despite the fact that it has been raided several times.

Some one had Better tell Police about this

The methods employed by these establishments in soliciting clients are ingenious. While walking in this district, one can't help but seeing the posters bearing the names of these "clubs" together with their telephone numbers and addresses. One evening at about ten o'clock, while riding in a No. 10 bus, the writer was given a card by a stranger who politely asked; "Sir, if you have time, please come over to our club and have a cup of tea." This surprise the writer asked him what kind of club he meant. The reply was "a social club where one may play a game or drink tea as he likes. You are always welcome, but be sure to carry some money with you." Later, it was found out that the stranger was a solicitor of a gambling establishment.

A recent tragedy occurred in a gambling house on Edinburgh Road, allegedly managed by Japanese, There was a shooting affair, in which two Chinese were shot dead and several were wounded. The shooting was said to have been done by three Japanese plainclothes men who visited the establishment to make an investigation of an alleged extortion of $300 perpetrated by Japanese "ronins" the previous evening. The inmates of the house, believing the plainclothes men "ronins," fired at them. Tragedies similar to this have happened many times during the past few months, but the number of gambling establishments, instead of decreasing, has increased by leaps and bounds. Armed robberies and shooting affairs in and around the gambling establishments are numerous. The sections where the gambling establishments are located were once considered the best residential parts of the city; now they are overflowing with criminals, making the districts dangerous for residents. The Settlement police may arrest, and the court may sentence and fine the gamblers and establishment assistants, and beyond that nothing can be done without cooperation of the Japanese.

Five Japanese Nabbed

Five Japanese, allegedly closely connected with a gang of Chinese armed robbers, were arrested in a series of raids conducted on night of June 15 and in the early hours of June 16 in the Settlement by foreign and Chinese detectives of the S.M.P., assisted by Japanese members of the force and accompanied by the Japanese Consular Police. Upon allegations by the first group of arrested Chinese suspects that guns for the robberies committed by them were supplied by two Japanese, a room in a hotel on Foochow Road was raided, where the police seized two pistols, four steel choppers covered with bloodstains and one long bladed knife, also believed to be covered with bloodstains. Three Japanese, four Chinese women of low character, and one Chinese were arrested in the room.

In the early hours of the morning two more Japanese suspects were arrested. All the five Japanese suspects were handed over to the Japanese Consular Police, while the six Chinese men and four women, were taken up on a writ of detention before the First Special District Court. and ordered to be remanded in custody for two weeks in order to enable the police to conduct their investigations. Two more raids were made June 16, bringing no results. Further raids are expected, as police hope to apprehend other alleged Chinese members of the gang and seize one or two more pistols. Detectives of the Crime Branch Headquarters of the S.M.P. are conducting the investigations in this case.

Admits To Robbery

The alleged Chinese leader of the gang, Tseu Zee-whai, 29, admitted to having participated in one armed robbery, staged on May 3, at the Hong Yuen Loo Restaurant at 94 Foochow Road. In making this confession Tseu is alleged to have stated that the pistols used in the robbery were supplied by Shigewo Mori and Tsuneto Inoue, two of the arrested Japanese. It was when he made this confession that Tseu told detectives that the two Japanese could be found in Room 202, Wei Tsung Hotel, 515, Hankow Road. Tseu intimated that the two Japanese not only supplied the pistols, but also accompanied the Chinese desperadoes to the scenes of the robberies, carrying the pistols, as being Japanese, they were not subject to the constant police searches conducted in the International Settlement and the French Concession.

In the first raid made on June 15 in Room 29, Zang Tsung Lodging House, Lane 118, House 11, Chekiang Road, by a party of detectives headed by Chief Detective Inspector Lieut Zau-kwei and Sub-Inspector J. Creighton, five men were taken into custody, Tseu was among them and led the police on their second raid on the Wei Tsung Hotel. Here the police arrested Shigewo Mori, 25, Hisawo Koji, 30, and Takewo Nakamo, 27, four Chinese women and one Chinese male. It was in the room occupied by the Japanese that one .38 small Wesson pistol and one .38 Mauser pistol were seized as well as the bloodstained steel choppers and the long bladed knife. The pistols were turned over to the Arms Identification Section for identification, while the bloodstained choppers and knife, which were wrapped in a newspaper dated May 29, were turned over to the Health Department analyst for examination. Later a third raid was conducted at 4, Kyung An Li, Canton Road. The premises turned out to be a house of ill-repute and there two Japanese were arrested, Tsuneto Inoue, one of the men implicated by Tseu, and Torawo Yakari. Further arrests are being expected.

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U.S. Warns on Plight of Japan's Financial Situation

WHILE Japan's foreign trade cascaded steadily downward, and the United States Government warned American exporters to watch closely on payments for their merchandise because of the unsteady situation in Nippon's money exchange, Tokyo this week worked hurriedly to put into effect fundamental revisions in Japan's import regulations in order to meet increasing demands for materials needed by the Japanese army in China.

A draft of the revised import regulations will be submitted to the cabinet shortly for formal approval, and it is expected that the new regulations will be in effect in the latter part of July. As a first step toward revision of the import policy the Ministry of Commerce and Industry is planning a drastic reform of the Japanese cotton industry, which is expected to be announced early next month.

The new plans of the Ministry regarding the cotton industry were envisaged by the recent recognition of the necessity of importing from abroad raw cotton needed in developing exports of Japanese cotton piece goods. In this connection the leading commercial daily, *Chugai Shogyo*, said that in order to increase cotton exports Finance Minister Seihin Ikeda is planning to "abandon a controlled cotton industry system and revert to free competition on the basis of an individuaal method of linking imports and exports." The Finance Minister, the journal stated, will "recognize exports and imports by individual cotton industrialists while exercising strict surveillance over the free influx of raw cotton from abroad."

Japan's Trade Off

Reflecting the Government's rigid import restriction program, Japan imported Yen 73,234,000 worth of goods during the second ten days of June, a decrease of Yen 50,837,000 as compared with the corresponding period of last year. Exports during the decade were valued at Yen 60,540,000, a loss of Yen 22,489,000 in comparison to last year.

Foreign Business Drops

Japan's foreign trade for the second 10 days of June showed an adverse balance of Yen 11,680,000. Exports for the period totalled Yen 65,002,000 and imports were valued at Yen 76,682,000.

Japan's all-important foreign trade, the backbone of the Japanese economy, also sustained heavy declines during January, February and a part of March this year. Japan's exports during the period totalled Yen 435,000,000 as compared with Yen 530,000,000 for the corresponding period in 1937. These figures show a loss of nearly Yen 100,000,000 this year. Imports into Japan during the period this year declined nearly Yen 300,000,000 as compared with imports for the same period during the preceding year. The imports this year were valued at Yen 497,000,000 while those for the same period in 1937 amounted to Yen 754,000,000.

The figures reveal that while Japan's imports exceeded her exports by Yen 225,000,000 in the first three months of 1937, her unfavorable trade balance during the same months in 1938 had shrunk to less than Yen 62,000,000, but this has been due to the intervention of the government. Statisticians are of opinion, that the difference in Japan's 1937 and 1938 trade balances in due to her war-time legislative measures. These measures were intended to insure imports of sufficient quantities of war materials on the one hand and to avoid, so far as possible, the necessity of exporting Japan's gold reserve to cover imports on the other. The measures prohibited the importation of 269 specified articles, restricted the importation of six specified articles, and banned the exportation of ten specified articles.

Foreign trade experts believed that the decline of Japan's export were the result of unhealthy economic developments in Japan and Japan's unfavorable economic relations with foreign nations. It is pointed out that Japan's import of raw material is diminishing in great quantities, thus curtailing the production of finished articles for export purposes, while consumption of Japan-made products has been greatly checked by China's boycott of Japanese goods, (her imports into China in 1937 amounted to $153,369,000) and the sympathetic boycott in many other countries.

Cotton Necessary

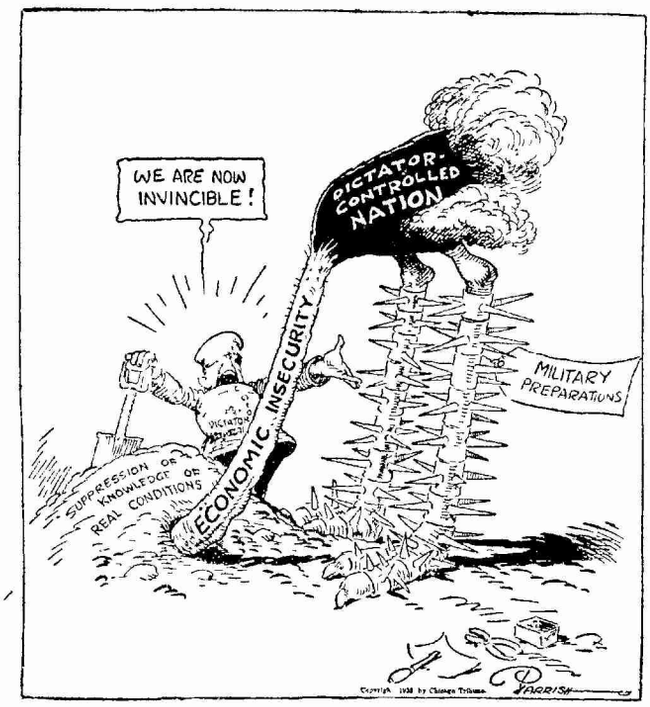
Imports of cotton, showed a sharp decline between the early months last year and the months following the outbreak of the Sino-Japanese hostilities. The figures showed that while cotton imports into Japan in January, 1937, were valued at Yen 127,841,000 and in March, Yen 130,450,000; in November, they were valued at Yen 15,556,000 and in December, Yen 15,347,000. Experts believe that the failure to obtain a sufficient quantity of cotton would greatly hamper Japan's munition industry, which is the only industry thriving in Japan since the beginning of the hostilities. They also consider Japan's failure to increase her exports as an indication that she has failed in her schemes of bolstering her exports, firstly, by smuggling Japan-made articles into China and, secondly, by directing the puppet governments to enact tariff laws prejudicial against foreign nations but favorable to the Japanese.

Exporters Are Warned

American exporters were warned to look out for payments on their goods because of the present situation of Japan's money exchange, in a publication issued June 20 by the Finance Section of the Department of Commerce. This publication advised traders not to accept orders unless these are accompanied by irrevocable and guaranteed letters of credit. It recalled that some Japanese importers have already promised payment before delivery of goods. The Commerce Department pointed out that Nipponese concerns cannot guarantee that they will receive necessary foreign currency even if they have licenses for importing merchandise, because the Japanese Ministry of Finances reserves the right to accord foreign exchange only in proportion with the financial disposabilities of the country. In the meantime, diplomatic quarters in Washington declared this warning to American exporters trading with Japan should not be interpreted as indicating that there has been a sudden aggravation in the latter country's financial situation.

Japan, these quarters said, is taking care of its financial resources by ruling on the importation of certain goods, thereby assuring that raw materials necessary to the war industry and indispensable foodstuffs are given primary consideration. The warning is the first official indication given by the United States Government with regard to the Japanese monetary situation.

WITH ITS NECK EXPOSED



Parrish in the Chicago Tribune

Match Industry Affected by Smuggling

The Chinese match industry has been greatly affected by the dumping of smuggled goods which has assumed serious proportions since the withdrawal of Chinese troops from the Shanghai area. According to investigations made by the reporters of the *Wen Hui Pao*, there are scores of new brands of smuggled match now enjoying sales in Shanghai, and all of them use Chinese trade marks. The price is fixed at about $10 per case.

An Explanation?

According to a survey of the Japan Match Industrial Association, exports of matches during May totalled 18,857 metric tons including 15,829 metric tons to overseas destinations and 3,028 metric tons to the colonial destinations, increasing sharply by 9,374 metric tons over the shipments in preceding month, the *Chugai Shogyo Shimpo* reports. China was the cardinal destination in the May shipments, exports thereto increasing 7,498 metric tons to 11,936 metric tons over the April shipments and soaring by 11,922 metric tons as compared with the same month a year ago. The increasing exports to China, however, are attributed to the speculative imports in anticipation of the tariff revision placed in effect as from June, and, the tendency, therefore, will serve little to give an optimistic light to the trade situation. A wholesale drop marked shipments to all other destinations.

Outstanding Events in the Sino-Japanese War

A DAY-TO-DAY SUMMARY

First six months of this day-to-day summary constituting a complete record of outstanding events in the Sino-Japanese war on all fronts has been published in book form.

May 22.—Japanese troops advancing westward along Lunghai Railway and also south of the railway in attempt to cut Peiping-Hankow Railway south of Chengchow, junction city of Ping-Han and Lunghai Lines. Small Japanese detachments reported appearing at Heishuitsi, village between Chihsien (south of Lanfeng) and Chenliu (southeast of Kaifeng, Honan capital). Many cities in vicinity of Kaifeng and Chengchow bombed by Japanese airplanes.

Chinese forces still in occupation of many cities in Lunghai Railway zone between Hsuchow and Lanfeng, including Tangshan, Shanhsien; Tsaohsien, Kaochen, Fenghsien and Peihsien. Evacuation of Nansuchow, south of Hsuchow, by Chinese forces on May 19 confirmed in Hankow.

Chinese forces in Hsuchow reported withdrawing first eastward and then southwestward to join Chinese forces attacking Yungcheng, southeast Honan, near Anhwei-Shantung border.

May 22.—"We intend to go on to Hankow," declaring Gen. Shunroku Hata, Commander-in-Chief of Japanese forces in Central China, in interview with **Reuters** special correspondent on May 20 at undisclosed point on southern sector of Tientsin-Pukow Railway. Correspondent reported extensive destruction of property in countryside in vicinity of railway. Chinese forces in Hsuchow area reported "trapped."

May 22.—War refugees in China number 30,000,000, according to Hsu Shih-ying, Chairman of National Relief Committee and former Chinese Ambassador in Tokyo. Refugees taken care of by various provincial and municipal refugee camps total 1,000,000, ranging from one-month old babies to 70-year-old men and women. Many thousands in Shanghai area and elsewhere taken care of by American, British and French relief agencies and mission organizations.

May 22.—Japanese planes heavily bomb cities on mainland across from Amoy. Asiatic Petroleum Company godowns and oil tanks on mainland reported damaged by Japanese Naval bombardment.

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May 23.—Chinese forces which withdrew in easternly direction when Japanese occupied Hsuchow and since claimed as being "trapped," have broken through Japanese lines by crossing Tientsin-Pukow Railway westwards and effected junction with main force of Chinese armies. Gen. Li Tsung-jen, Commander-in-Chief of Chinese forces, wired Chinese high command in Hankow, announcing that Chinese forces from Hsuchow area have successfully withdrawn to designated positions west of Tsingpu Line. All heavy guns safely removed with the troops, who suffered only about 1,000 casualties in withdrawal. Reports restores confidence in Hankow; Chinese counter-attack started.

Japanese Army spokesman in Shanghai admitted Chinese forces escaped Japanese cordon, said, "There or four Chinese divisions had succeeded in slipping through gap in Japanese cordon around Chinese troops trapped southeast of Hsuchow."

Hsuchow, occupied by Japanese on May 19, observed from air in Japanese war plane by foreign correspondents. All foreign missions in and around Hsuchow reported intact; East and North Stations of city in ruins; fires raging in dozens of villages and towns in Hsuchow area.

May 23.—"Hsuchow battle was a major fight, but not a decisive one," declared Chinese army spokesman at Hankow. "We may suffer reverses in limited areas, but final victory must be ours." Referring to Chinese air raid on Japan on May 20, spokesman declared: "If Japanese militarists do not change their attitude, Chinese aircraft may be compelled to bomb military bases in Japan."

May 23.—Paoting, Hopei capital, reported attacked by some 10,000 Chinese guerillas, according to Peiping message; result unknown.

May 23.—Railway traffic between Tientsin and Hsuchow restored, reported **Domei.**

May 23.—Situation on Lunghai Railway quiet. Chinese troops advancing eastward from Lanfeng, Japanese troops east of Kweiteh attacked, withdrawing to southwest.

May 23.—As result of Japanese pressure, Germany has ordered recall of German advisers serving with Chinese armies. Also reported Germany suspending supply of arms to China. Dr. Oskar Trautmann, German Ambassador to China, confirmed recall of German advisers by order of Hitler. Notification conveyed to Foreign Minister Wang Chung-hui on May 21. About 40 German advisers now connected with Chinese Army, four of whom are Jews; many will remain in China.

May 23. R.A. Butler, British Under-Secretary of Foreign Affairs, declared in House of Commons that strongest representations had been made to Japanese Government in Tokyo and Japanese authorities in Shanghai regarding losses which would be suffered by British bondholders as result of Japanese military occupation of Nanking-Shanghai Railway.

May 23.—Exceeding China's exports for April, 1938, by $10,878,331, imports into China during this month amounted to $67,639,194, according to report of Chinese Maritime Customs. The trade figures, however, compared favorably with those of corresponding month of 1937.

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May 24.—Japanese claim of occupation of Lanfeng, "gateway to Kaifeng," on Lunghai Railway, denied in Hankow. Chinese army spokesman admitted severe fighting on eastern section of Lunghai Line, east of Kaifeng and that Japanese troops commanded by Gen. Doihara were occupying positions north of Lanfeng and Lowang, stations on southern bank of Yellow River. Situation at Kaifeng said precarious, as two Japanese columns were pressing on city, where Chinese troops launching desperate counter-attack, employing mass tank attacks, in effort to halt Japanese advance.

Fierce fighting also west of Hofei, central Anhwei, where Chinese and Japanese forces battle for position on Tashushan, strategic hill 6 miles west of Hofei.

May 24.—Large-scale engagements between Chinese mobile units and Japanese troops reported near Minghong, 20 miles southwest of Shanghai, during past few days; artillery fire occasionally heard in Shanghai.

May 24.—R. A. Butler, British Under-Secretary for Foreign Affairs, replying to questions concerning control of Chinese Customs at Shanghai, declared in House of Commons that British Government did not recognize the provisional administration in Nanking and its appointment of superintendent of the Customs.

May 24.—Japanese Foreign Office lodged protests with British Embassy in Tokyo and through Japanese Embassy in London against statement made by Under-Secretary for Foreign Affairs R. A. Butler on May 18, charging Japanese landing party at Amoy with machine-gunning Chinese women and children and killing Chinese war prisoners.

May 24.—Japanese warships on Yangtsze attack Tikang, southwest of Wuhu, indicating Japanese preparing to land there. Japanese aircraft also active, reconnoitering along Yangtsze.

May 24.—Total of £10,000,000 worth of Chinese silver coins of different denominations numbering about 40 million shipped from London to United States, according to **Manchester Guardian.**

May 24.—New airline linking Chungking and Kunming (Yunnanfu) planed.

May 24.—Weihaiwei, occupied by Japanese March 7, now completely cut off from contact with hinterland by Chinese mobile units who are in control of the country outside 10-mile radius from the town.

May 24.—**Reuters** special correspondent with Japanese forces on southern Tsin-pu front gave graphic account of ravages of war in Nanking. Nanking suffered severely and evidence of damage seen everywhere.

May 24.—Delegation of World Students' Federation now touring Central China, given welcome at reception in Hankow.

May 24.—Dr. Weng Wen-hao sworn in office (May 23) as Minister of Economics.

May 24.—Foreign press correspondents in Peiping returning from airplane visit to Lunghai Railway front declared capture of Hsuchow had not decided issue of struggle in that region. Japanese aim to destroy main Chinese army there was not accomplished, as Chinese troops had succeeded in escaping from encirclement.

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May 25.—Complete encirclement of Japanese troops commanded by Gen. Doihara, in Lanfeng area, claimed by Chinese military communique issued at Hankow.

Chinese forces evacuated Lanfeng at 5 p.m. yesterday (May 24), but, the communique stated, possession of the town was "relatively unimportant following Chinese decision to employ encirclement tactics." Doihara's Division, totalling some 20,000 said surrounded from east, west and south.

Capture of Tangshan, on Lunghai Railway, 70 kilometers west of Hsuchow, claimed by Japanese.

Gens. S. Hata and H. Terauchi, Commanders-in-Chief of Japanese Forces in Central and North China, met at unnamed air base near Lunghai Railway.

After several days' severe fighting for possession of Tashushan, hill 6 miles west of Hofei, central Anhwei, Chinese forces withdrew May 23.

Sinyang, northwest of Hankow, in western Hupeh, raided by nine Japanese planes.

Japanese forces which landed at Haichow, eastern terminus of Lunghai Railway, engaged by Chinese troops near changchiashan (hill).

May 25.—Wuhan cities undisturbed at recent developments on Lunghai Railway; Japanese threat to Hankow believed remote. Some 1,200 foreigners living in Wuhan; many missionaries in threatened cities on Lunghai Railway refuse to evacuate.

May 25.—Some 1,6000 U.S. cities to hold "Bowl of Rice Dinners" on June 17 to raise money for refugee relief in China, according to message received at Shanghai. Col. Theodore Roosevelt, Jr., heads list of sponsors.

May 25.—Conditions on Nanking-Shanghai Railway described by **Reuters** correspondent travelling from Nanking in gasoline-engined coach; said every station along Line was damaged by hostilities, but telephone and telegraph lines seemed intact.

May 25.—Finance Ministry to convene Monetary Conference on June 1 at Hankow.

May 25.—Chinese administer huge areas in North China behind Japanese Lines, according to British traveller visiting the area, including half of Hopei, large section of Shansi and part of Chahar. Government organised in this wide region directed by leaders of 8th Route Army in Shansi, who are in daily contact with Hankow by radio.

May 25.—Commander Yorinaga Miyashita, of Japanese Navy, in Amoy, warned British Consul there in connection with British report accusing Japanese bluejackets of killing Chinese women and children and war prisoners. Japanese demand proof of allegatures.

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May 26.—Chinese troops launch severe attack on Japanese west of Lanfeng; gains claimed at Lowang. Heavy fighting raging near Tangshan, west of Hsuchow.

Doihara Division allegedly still "surrounded" in Lanfeng area.

Kaifeng, capital of Honan, threatened by Japanese; Lanfeng station, 30 miles east of Kaifeng, captured, according to Japanese report.

May 26.—Chinese mobile units reached point 15 miles southeast of Nanking, where heavy fighting is in progress, according to reports received at Hankow; mobile units said commanded by Yeh Ting, former Chinese Red Army Commander.

May 26.—Japanese Cabinet reorganised; Koki Hirota, Foreign Minister; O. Kaya, Finance Minister, and S. Yoshins, Minister of Commerce and Industry resign; Gen. S. Ugaki appointed new Foreign Minister; S. Ikeda, head of Mitsui Interests, new Finance Minister; Gen. Sadao Araki, new Minister of Education, taking this post from Marquis K. Kido, who had held it concurrently with the portfolio of Public Welfare.

New cabinet consists of:—

Premier, Prince Fumimaro Konoye;
Foreign Affairs, General Kazushige Ugaki;
Finance and Commerce and Industry, Mr. Seihin Ikeda;
Home Affairs, Admiral Nobumasa Suetsugu;
War, General Gen. Sugiyama:
Navy, Admiral Mitsumasa Yonai;
Public Welfare, Marquis Koichi Kido;
Education, General Sadao Araki;
Justice, Mr. Suehiko Shiono;
Agriculture & Forestry, Count Yoriyasu Arima;
Communications, Mr. Ryutaro Nagal;
Railways, Mr. Chikuhei Nakajima;
Overseas, Son-Yu Otani;
Chief Cabinet Secretary, Akita Kazami;
Chief of Legislation Bureau, Masao Taki.

New Cabinet according to **Domei** will immediately put into effect following measures:

1. Establishment of central organ to take charge of China policies and problems;
2. Revision and reinforcement of war-time financial and economic plans;
3. Rearrangement of national mobilization plans;
4. Reform of the educational system;
5. Readjustment of political administration system.

Tokyo cabinet changes given prominence in London papers; describe reshuffle as "Army Dectatorship."

May 26.—Maj.-Gen. Chiang Ching-kuo, eldest son of Gen. Chiang Kai-shek and Commander of Kiangsi Peace Preservation Corps, formally admitted to membership of Kuomintang.

May 26.—Chang Chin-hsiang executed by Japanese military authorities on May 22 on charge of allegedly throwing trench-mortar shell at car containing Japanese naval officers on the Bund, Shanghai, April 21.

May 26.—Battle of Hsuchow described by group of 18 Chinese war correspondents who arrived at Hankow today. They withdrew from Hsuchow with Gen. Tang En-po who was last to evacuate city on May 21. Eleven other correspondents still missing may have been killed. Gen. Tang's troops covered withdrawal of main Chinese force from Hsuchow and arrived at Chowchiakow, each Honan, near Peiping-Hankow Railway yesterday (May 25). Not only Chinese infantry units, the correspondents said, but mechanized and artillery units succeeded in escaping Japanese encirclement. Correspondents gave following highlights of the defence of Hsuchow: Situation first became critical on May 12, when Huangkou station on Lunghai Railway, between Hsuchow and Tangshan, reached by Japanese. Some 100 Japanese airplanes bombed Hsuchow May 15. On same day, Japanese reached Hsiaohsien, 15 miles west of Hsuchow. On May 16, Japanese bombarded Hsuchow with heavy guns and Japanese vanguards reached western suburbs of Hsuchow at night. Gens. Li Tsung-jen and Pai Chung-hsi evacuated May 19, when main body of Chinese defence forces withdrew at night in fighting formation and escaped through Japanese cordon on morning of May 20.

Miss Iris Wilkinson, missing New Zealand journalist, last seen in Hsuchow when Chinese forces withdrew from city. Whereabouts still unknown, thought killed.

May 26.—National Government to honor the late Gen. Tsao Kun, former President of China, who died at Tientsin May 17. Gen. Tsao had rejected all Japanese offers to head Peiping puppet regime and remained loyal to Central Government.

Japanese Say Chinese Soldiers Released

Eighty-four Chinese cavalrymen, who surrendered themselves to the Settlement defense forces after the fall of Chapei, have been released by the British military authorities here and allowed to proceed to Hankow by way of Hongkong, the *Shanghai Nippo* charged recently. The release, the journal declared, was effected by the British Authorities without advising the Japanese Army, "contrary to their moral obligation to hold the men in custody until the termination of the hostilities." The action, the daily reported, has attracted the attention of "various responsible quarters" and appears to be developing into a "grave issue."

When the Japanese troops occupied Shanghai in November, 1937, the cavalrymen, commanded by Ma Cheng-piao, sought safety in the British defense sector. The soldiers were disarmed and put in a concentration camp, where "they were very unhappy," the *Nippo* said. Recently, the prisoners applied for their release, and the British authorities, "unaccountably," granted the permission, the daily asserted. Thereupon, the cavalrymen sold their mounts and with the proceeds bought tickets to Hongkong. When they secretly boarded the ship, they were escorted by about 20 foreign and Chinese members of the S.M.P., the journal charged. Arriving in Hongkong on June 7, the men proceeded to Canton and Hankow, where they rejoined the troops fighting Japan, the *Nippo* reported.

Shanghai Industrialists to Return from Southwest

Chinese industrialists in Shanghai, including Wu Wen-tsai of the Kincheng Banking Corporation, Hsu Tsai-chen of the Min Sen Factory and Wang Tso-tsai of the Chung Fu Factory, who went to the Southwestern Provinces in the early part of April on an inspection tour will return here by the end of this month, according to well-informed circles. The Shanghai industrialists fisrt visited Szechuan and then Kweichow and now according to report, the are visiting Yunnan Province. The purpose of this trip is to develop industry and commerce in the Southwestern Provinces.

$2,000,000 Worth of Cocoons Collected

According to Japanese reports, from 15,000 to 20,000 piculs of cocoons will be collected in the various districts of Wusih this spring. At the present price of $120 per picul, the cocoons will be sold for $1,800,000 to $2,400,000. An office was established in Wusih by the "Kiangsu Provincial Government" recently to control the purchase and sale of cocoons. For every picul of cocoon, $3.60 is charged as "special fee for the improvement of silk industry."

The

CENTRAL BANK OF CHINA

A BANKERS' BANK

SHANGHAI OFFICE:

15 The Bund, Shanghai

Telephone 12570 Cables: "Governbank"

BRANCHES:

NANKING	*Chuhsien*	Swatow	NANCHANG	Lanchow
Hsuchow	AMOY	TIENTSIN	*Chi-en*	Kweiyang
Panpu	Foochow	Peiping	*Fuchow*	CHUNGKING
Sinpu	*Chuenchow*	*Shihkatchuan*	Kiukiang	Chengtu
Chinkiang	*Yenping*	Tsingtao	Chengchow	*Wanhsien*
Yangchow	*Kien-ow*	Tsinan	Kaifeng	*Santai*
Hsiakwan	*Pucheng*	Pengpu	*Loyang*	HANKOW
HANGCHOW	*Santu*	Wuhu	Sian	*Wuchang*
Ningpo	CANTON	Anking	*Nancheng*	Changsha

FOREIGN CORRESPONDENTS:

NEW YORK, LONDON, BERLIN, PARIS, GENEVA, OSAKA, AND HONGKONG

Profits and Losses for Shanghai Companies

A net profit of $187,806.71 was made by the American Asiatic Underwriters, Federal Inc. U.S.A., during 1937, as against $210,513.46 for 1936, according to the balance sheet submitted at the annual general meeting of the company, held last week. A total of 53,845 shares were present or represented. C. V. Starr, president of the company, told the meeting that had it not been for the Sino-Japanese war, the year under review would have been a record year for the company, taking as a basis for this assertion the results obtained during the first half of 1937.

Great difficulty was also experienced, he added, in collecting premiums from agents and clients in the interior, partly because of currency restrictions and partly because premises of clients had been destroyed. A number of substantial accounts in Tientsin and Shanghai, however, are being cleared slowly although reasonable prudence requires that some accounts, obviously uncollectible, should be written off. Exchange restrictions in Manchukuo became so severe that no funds could be withdrawn from there. This together with the deposit-laws requiring investments in Manchukuo securities, caused most of the affiliated companies early in 1938 to report that they would withdraw from that territory, Starr further added.

The amendment to the company's charter, providing that tax-saving dividends should be paid to preferred shareholders rather than common share holders, so long as preferred share dividends are in arrears, has not as yet been granted by the China Trade Act authorities. The excuse given is that the company, under the China Trade Act, should not hold insurance company shares among its investments. The right to hold insurance company shares is now being litigated before the U. S. Court for China. The following directors were elected for the ensuing year: H. M. Blake, W. A. Hale, A. B. Park, R. E. Shean, C. V. Starr, W. T. Sullivan, and A. M. J. Wolynsky.

Office Appliance Company

At the Eighth annual general meeting of shareholders of the Office Appliance Co., Ltd., held May 24, it was reported that the company made a gross profit of $153,587.08 and a net profit of $52,989.13 which, when deducted from the loss of $187,641.23 brought forward from 1936, reduced this figure of $134,652.10.

Shanghai Land Investment

The following report was made at the ordinary general meeting of the Shanghai Land Investment Co., Ltd:

"When addressing you in 1936 and 1937, I referred to the continued depressed state of the real estate market due to general business conditions in Shanghai and last year pointed out that the recurring periods of uneasiness in Hongkew were of very serious concern to the company and that any improvement in that area would have a marked effect upon gross rentals. The early part of 1937 opened with the promise of better times and in April and May there was a considerable decrease in vacant premises, and rent collections up to the end of July 1937 were in excess of the corresponding period of the previous year. With the above facts before you board they were unanimously behind the proposal put before you on June 30 last when the capital of the company was increased and we had hoped that with the general improvement in rentals and with a reduction in interest charges that the accounts now before you would show a marked improvement on those of the past few years. It is, therefore, a keen disappointment to have to record a loss for the year of $308,601.74.

"It became immediately obvious on the outbreak of hostilities in August that your company was faced with the possibility of very serious losses. The total structural loss due to the hostilities represented a book value of some $1,900,000 and while this is a very heavy loss to bear it is indeed fortunate that more of your buildings were not damaged, as our investments in the Hongkew and Yangtszepoo areas are very large. H. M. Consul-General has been notified of the above loss and a detailed claim is in the course of preparation. The exact amount of our claim, $1,924,430.11, is shown on the assets side of the balance sheet and the contraentry is included under the heading of sundry creditors and credit balances. We are continuing every effort to recover our losses under this heading. The structural losses do not constitute our total losses due to the hostilities, as it has been necessary to write off outstanding rents due from tenants forced to evacuate their houses, a sum over $330,000. On rehabilitation of the areas north of the Soochow Creek a permanent loss of rental income, amounting to approximately $350,000 per annum, will continue until such time as we are able to replace the destroyed buildings.

"I now turn to the accounts. The profit on working account shows a decrease of $637,294.02, compared with 1936, though as you will have gathered from my previous remarks a comparison with 1936 can hardly be a fair one. All the decreases are accounted for by the troubles through which Shanghai has been passing. There are small increases in expenditure under the headings of charges and advertising and foreign salaries and allowances. The increase in the former is accounted for by the additional expenses incurred in connection with our new issue of capital. At the end of last year we decided to make certain reductions in our foreign staff and consequently it became necessary for us to meet certain contractual obligations, and this more than accounts for the increase in foreign salaries and Allowances. Loss of Gross rentals of $580,000 on vacated Chinese and foreign properties is directly attributable to the hostilities and this figure does not include the revenue which would normally have been derived from the Broadway Mansions Hotel. The hotel was forced to close down in August and was not reopened again until early this year.

Profit and Loss

Interest charges show a reduction of $220,519,73, due to the reduced debt to our bankers. Overdue interest and expenses on mortgages are $262,018.16, as compared with $210,016.37, in 1936. Certain additional mortgagers defaulted during the year and in accordance with the practice adopted last year all interest due and expenses incurred have been written off. After transferring the loss for the year of $308,601.74, to profit and loss appropriation account there remains a balance of $354,234.44, which, as mentioned in the report of directors, we recommend be carried forward.

"Before submitting the usual resolutions, I must say a few words as to the future of the company. Loss of revenue due to the hostilities is continuing even though fighting in and around the International Settlement ceased in the middle of November. We are still unable to obtain free and uninterrupted access to some of our properties in the Japanese-controlled areas and while we hope that the Japanese authorities will see their way to open up the areas in the near future, we realize that some months will even then be required before conditions become normal once again. Our Chinese properties north of Soochow Creek normally yield some $400,000 annually in gross rentals, and the loss of this income will have a very serious adverse effect upon your company. Broadway Mansions Hotel maintained its popularity till August last year but I regret to say since re-opening the guest list has been small."

Tung Wen Student Wounded

With three wounds in his arms and thigh, a senior of Tung Wen College, Japanese institution in Shanghai, trudged 20 kilometers through mud and rain to safety in Tsingpu, the *Shanghai Nippo* reported June 18. The student, Tatsud Tsumaki, was a member of a party of five members of the Japanese Army's Pacification unit at Tsingpu which was ambushed by Chinese guerillas near Paihaokangchen, 20 kilometers out of Tsingpu, on June 15. Tsumaki, accompanied by Ken Seto, another Tungwen senior, joined the Pacification unit to investigate economic conditions. While visiting the Paihaokangchen area on foot, they were suddenly fired at from ambush. Tsumaki, wounded, jumped into a nearby creek. His four companions, unable to locate him because of the darkness, returned to Tsingpu. After walking 20 kilometers in spite of his bleeding wounds, Tsumaki returned to Tsingpu.

Services for Japanese

Memorial services were held on June 15 for Nobuyoshi Kaneko, 36-year old Japanese who was kidnapped last April by Chinese bandits. Relatives and friends of the kindapped man abandoned hope that he would ever return alive and held services for him at the Chotkuin Temple on Woosung Road. He was an employe of the Eiko Yoko on Chapoo Road. Kaneko was abducted by a band of Chinese near Whangtuchen while he was taking a launch up Soochow Creek toward Soochow last April 19. Since that time searching parties made unsuccessful attempts to rescue him. Recently it was reported that he had been taken to the interior and slain. Several other Japanese kidnapped by Chinese bandits some months ago still are missing.

Moscow Sees Crisis in England

Pravda writes in an article: 'England—Second Seat of the World Economic Crisis': "It is absolutely beyond doubt that the economic crisis in Great Britain has reached at present its climax and will become still deeper in the nearest future. The crisis embraces not only those branches which produce means of production. With an ever greater intensity it is expanding also to the production of means of consumption. The perpetual mass unemployment became an indefeasible feature of British capitalism. Great Britain grows into a second after the United States, center of a new economic crisis. The aggravation of the British crisis will exert an especially strong influence on the agrarian colonial countries in virtue of the outstanding role played by the Great Britain on the world market."

Communists Leaders Ask Chiang to Defend Wuhan

A group of Chinese Communists leaders, headed by Wang Ming, Chow En-lai and Chiang Pang-hsien, have addressed a joint petition to General Chiang Kai-shek, Chairman of the Military Affairs Commisson, urging him to defend the Wuhan area at all costs. Declaring that the Wuhan area is a strategic point for defence, the petition suggested that, when necessary, all the workers in the three cities should be armed to assist the millions of regular troops in the defence of this important military base. "We must defend," the petition further emphasized, "the Wuhan cities all at costs, as the gallant Spanish troops defended the city of Madrid."

Physicians Denounce Bombings

A letter signed by Drs. W. W. Cadbury, C. A. Hayes, R. L. Lancaster, F. Oldt, T. D. Stevenson, J. O. Thomson and P. J. Todd, in which Japan's bombing of Canton civilians was vigorously denounced was received this week from Canton by the *China Weekly Review*. The letter follows:

"A recent Reuter despatch, quoting a Japanese spokesman declared: 'Accurate bombing of Canton was carried out despite very heavy anti-aircraft fire.'

"May we, foreign physicians of Canton and witnesses of the events of the past 14 days, call attention to the 'accurate' bombing on June 6: Judging by the results it was aimed chiefly at a large central section of the open city of Canton, between the Electric Light plant and Taai Ping Road, from east to west and south to north, from the Pearl River to Wai Fuk Road. This district contains a large number of hospitals and doctors' office—a quiet zone! The accuracy of the airmen's aim is attested by the fact that a bomb struck the Paul Doumer Hospital (French), and destroyed the operating rooms, X-ray equipment and laboratory, just as they were prepared to operate upon people who had been bombarded elsewhere. Bombs fell perilously near several other hospitals, shattering glass in same. Are we to assume that the Japanese airmen wish to destroy Hospitals in Canton along with other private property?

"One bomb, aimed accurately at the new Wing On Tong building, struck the Bund between it and the River. Hundreds of refugees were standing under the shelter of this building, and many of these were killed and injured. Another bomb was "aimed" for a group of sampans in the river. Scores of these were destroyed and many of the occupants killed. The Red Cross Headquarters, close by, narrowly escaped destruction. During the morning, planes swooped low over Shameen, the foreign Concession. Hundreds of civilians in the city were killed and wounded by the bombing and machine gunning of the Japanese airmen. At the Canton Hospital alone 160 wounded non-combatant were treated. Many of these required amputation and other major operations. In these bombings, from the explosive force of the bombs, from bomb fragments and from falling structures, the dead often far outnumber the wounded. Hundreds of wounded were taken to other hospitals. We have seen extremely few cases wounded by anti-aircraft shrapnel.

"In the last 10 days of persistent and severe bombing of the city of Canton, we know of no genuine military establishment having been bombed here. In fact, there are very few such. No wounded soldiers have been admitted to our hospitals, but only civilians. At least one doctor and many Red Cross workers were killed and injured while rescuing wounded people.

"The Japanese spokesman declares that the bombing was 'accurate.' We must therefore assume that it was their deliberate intention to bomb the places mentioned, and civilians and private property throughout this great city. Furthermore, bombs were dropped from a great height, hence discrimination is quite impossible. It is, therefore, our firm conviction that the Japanese military forces have determined to ruthlessly destroy the people of Canton and their public and private properties. If this is not so they can prove it by ceasing from this wholesale massacre of Canton citizens.

"As physicians, devoted to the SAVING of human life, we vigorously protest against this determined policy of the Japanese air force to ruthlessly destroy human life."

Hongkong Group Protests

Unanimous condemnation of the Japanese bombing of Canton was expressed at a meeting in Hongkong June 16 League of Nations Society. Numerous speakers, including eye-witnesses, voiced their feelings, and described scenes of havoc and horror in the stricken city. The following resolution was passed by the meeting:—

"This meeting in the name of humanity protests against the appalling slaughter and maiming of civilians during the bombings of Canton by the Japanese, and urges everyone of goodwill to mobilize public opinion against this form of warfare, which threatens the foundations of civilization."

The meeting was addressed by Bishop Valtorta, of the Roman Catholic Church; Bishop Ronald Hall, of the Church of England, and numerous other clergymen and doctors who participated in rescue work, and in succouring the wounded.

Jesuits Tend Japanese Fliers' Graves

Japanese naval officials in Anking were reported studying suitable means to express their appreciation to Spanish Jesuit fathers for the latter's kindness in burying two Japanese fliers killed during a raid on Anking on Jan. 2. The graves of the two men, nearly tended, were found on the edge of the Anking airdrome. Enquiries revealed that the Rev. Father Narciso Alonso had obtained permits from the Chinese military authorities to exhume the bodies of the two Japanese, buried by the Chinese, and to give them a funeral. He also secured two black lacquered coffins. The aviators, Warrant Office, Third Class, Sadao Ono and Warrant Officer, Third Class, Shigeyuki Kai, were killed when their machine caught on fire while raiding the Anking airdrome Jan. 2, *Domei* reported. They were buried in a shallow grave by Chinese soldiers.

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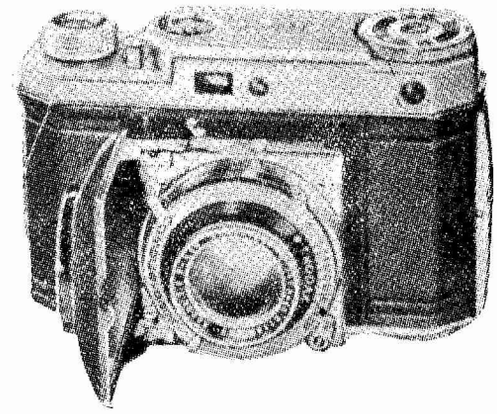

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A "Third Axis" for Europe?

EUROPE, jittery under the potential dynamite contained in the Rome-Berlin axis, may, if things go the way Poland wishes, find itself confronted with a "third axis" grouping all the powers between the Baltic and the Black Sea. The outcome of such a axis, inspired by Poland's desire to pursue her policy of solidarity with all the Baltic States, would be the forming of a barrier between Germany and Soviet Russia and the establishment of one of the most potent factors, say supporters of the plan, "in the pacification of Europe."

The visit of Colonel Joseph Beck, Polish foreign minister, to Esthonia last week brought forth his comment that "I found in this nation the fullest sympathy, and this is more important than written pacts."

Commentators on the "third axis" plan wonder whether Poland's program aims to prevent the Reich's expansion eastward or whether they aim to interfere with the advance of the Soviet Army in the event of a German attack on France or Czechoslovakia.

Warsaw always had he ambition to become the political capital of the central part of Europe, which would be welded into a sort of "Third Europe," but to date has met several obstacles. Among these were the Little Entente's tendencies towards France; tension in relations with Prague over the Polish minorities in Czechoslovakia; and the recent Polish-Lithuanian incidents which prevented the Baltic States from consenting to a common policy with Poland. However, in the past few weeks, conditions have changed in favor of Warsaw, chiefly because of the strengthening of Polish-Rumanian friendship ties and the resumption of normal relations with Lithuania on March 29.

Polish Arguments

Poland's main argument in favor of "a third axis, formed of the Baltic and Central Eastern European States," is that "the League of Nations is helpless to guarantee their security."

Warsaw also advances the argument that the minor Powers would be in real danger if the League decided upon economic or military sanctions in the future, when the smaller countries may be compelled to consent to the free passage of foreign troops, for instance: Soviet troops, if sanctions were applied against Germany. To date, observers in Paris maintain a most reserved attitude towards the Polish plan since they claim the exact objectives of the scheme are unknown. Meanwhile, Warsaw's designs are still in an embryonic stage. Also, Rumanian views on an eventual conflict over Czechoslovakia are quite different to Poland's, even though the two countries maintain friendly relations. Furthermore, Latvia and Lithuania profess more suspicious feelings towards the Reich than does Warsaw although Esthonia is apparently inclined towards the latter's views, even while her solidarity with the Baltic States is beyond doubt.

Sees Dangerous Summer Ahead

In connection with the restlessness in Europe, J. L. Garvin, one of Britain's best known publicists and one of the editors of the conservative weekly, *The Observer*, wrote in the latest issue of that publication that this summer is the most dangerous since 1914 for the peace of Europe. However, peace can be maintained, the 69-year-old writer on politics noted, on the condition:

(1) That Great Britain follows a foreign policy without passion;

(2) That she continues to prevent the Spanish conflict from extending beyond the frontiers of the Iberian peninsula;

(3) That events in China be watched carefully and that Great Britain does nothing without co-operation from the United States.

Japan might in the non-distant future, attempt negotiations in a moderate spirit, and then it would be that Britain's could tenacity and judgment would bear fruit, Garvin added.

Continuing, he warned Britain against taking part in any quarrel between Germany and Czechoslovakia, maintaining her stand of strict impartiality. The editor concluded his review with warm praise for Prime Minister Neville Chamberlain and Foreign Secretary Lord Halifax. "Wherever we turn our eyes, whether toward Spain or Central Europe or the Far East, we see that Anglo-German discord has been the central source of the whole world's political peril and economic evils. An Anglo-German settlement would be the beginning of all good. Mr. Chamberlain and Lord Halifax keep this in mind."

WHERE "THIRD AXIS" IS TALKED

Chicago Tribune

This map shows how Austria lies athwart the Rome-Berlin Axis and illustrates how Hitler's seizure of Austria may have weakened the link between Germany and Italy. Mussolini allegedly was stunned by the suddenness of Hitler's move, but was forced to keep silent because of the anti-red pact. Countries to the east, Czechoslovakia, Poland, Hungary, Rumania, Bulgaria, Jugo-Slavia, Albania—and Russia are lands where both Hitler and Mussolini have been exerting pressure in order to increase their respective power and influence in European affairs. Hitler's seizure of Austria had much to do with Mussolini's decision to make peace with Britain. Here, also, Poland would form its "third axis" grouping all the powers between the Baltic and the Black Sea.

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American School Class Graduates

"Come what may, never give up growing; do not for one minute think that society owes you a living." said C. W. Petitt, of the Board of Management, when giving his address at the twenty-second annual commencement exercises of the Shanghai American School, which were held at the Community Church June 16. The proceedings opened with a concert given by the band of the Fourth regiment, U.S.M.C., and this was followed by the valedictory speech, which was given by Miss Ruth Eli zabeth Louis. While R. E. O'Bolger made the presentations to the graduating class, Victor Hanson awarded the diplomas.

Those on the platform were:—C. W. Petitt, R. S. Burnes, the new principal; Mrs. N. F. Allman, American Association of University Women; E. Harris, C. S. Franklin, chairman of the S.M.C.; F. P. Lockhart, acting U.S. consul-general; M. Pierr, Auge, French consul-general, Col. Charles F. B. Price, R. E. O'Bolger Mrs. Cornish, representing the American Women's Club; Victor Hanson, and Ernest M. Hayes. Then followed the presentation of scholarships and honor awards by Mrs. N. F. Allman on behalf of the American Association of University Women; Mr. K. E. O'Bolger on behalf of the Chamber of Commerce; Ernest F. Harris, who presented the British sealed prizes; and Burnes, who gave the Honor Cups and Scholarship Honors Rolls to the successful scholars.

Class Roll

The graduating class of 1938 were as follows:—Georgina Dolores Amador, Lydia Mary Bills, Richard Bertrand Carbonnel, Violet Maejean Chun, Marjorie Esther Clayton, Bent Damsgaard, Marjorie Moore Guss, Edith Frances Henry, Alexander Gregory Liosnoff, Ruth Elizabeth Louis, Margaret Frances MacDonald, Robert Emmett Manders jun; Helen Murr McFayden, William Lister Pott, William James Joseph Reilly, Frances Fliza Riddick, Douglas Welford Ridgway, Daniel Collins Terry, Sterling Hegnauer Whitener, and Mary Jane Wolcott.

The list of awards was as follows:—American Association of University Women prize, Ruth Elizabeth Louis; Chamber of Commerce Price, 1. W. L. Pott; 2. Ruth E. Louis; 3, Coris Lewis; British Sealed prizes, R. B. Carbonnel and Frances Eliza Riddick; McLachlin cup, M. Bills, Atkinson cup, R. E. Louis; Squires cup D. C. Terry; Alliance Franciase prize, Constance Brooks; athletic awards, Marjorie Guss, Richard Carbonnel, Douglas Ridgway William Pott, Leo Ball, Lyman Hale, and Lorents Jorgensen; Honor roll, R. E. Louis, W. Pott, M. Wolcott, S. H. Whitener, and L. M. Bills.

Chaumont Dope Case Has Echo in Shanghai

Acting upon information supplied by the U.S. Consulate-General, members of the Settlement and French Police Forces on June 15 carried out raids which resulted in the arrest of four Chinese alleged to be members of a dope ring supplying narcotics to smugglers on board the U.S.T. Chaumont and other vessels. The four men—Tsu Zai-dong, tailor Hu Ping, jeweller; Wu Ping-nyoh, and Zung Ling-zien—all denied the charges, at the First Special District Court the next day, before Judge Siao. All the prisoners were arrested by detectives of the S.M.P. Narcotic Section following the receipt of the information from the U.S. authorities.

In court it was stated that, as the result of two American sailors being caught in possession of eighty-one tael tins of opium on their arrival at San Francisco from China, a statement was taken from the two men—Robert Pinson and Andrew Horvarth. In this statement certain information was given which led the U.S. Consulate-General to inform the Shanghai Municipal Police, who immediately carried out raids, the results of which were the detention of the four Chinese. It was stated that the prisoners had made a confession at the Police Station, after being arrested, but they denied this on court. They are alleged to have said that one man named Tseng Pan-yu was implicated in the smuggling, but up to the present this man is at large. All denied supplying the opium to the two accused sailors, although T. S. Lea, prosecuting, stated that a letter from one of the sailors, addressed to the first-named prisoner, was found during the raids.

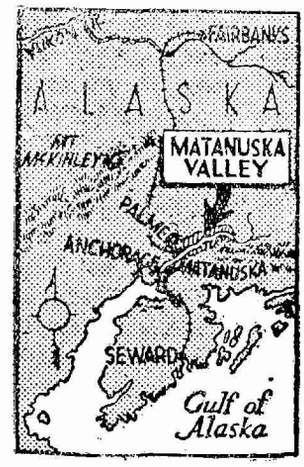
Tsu was arrested at his home, 49-4 Yu Ya Ching Road, where he carries on a tailoring business catering for American servicemen and others. Hu was apprehended at Hope Grand Dragon Company, jewellers, 421 Bubbling Well Road, and Wu was taken into custody at the Far Eastern Hotel on Yu Ya Ching Road. Sung, a cousin of Tseng, the man whom the rest accused of being a member of the dope ring, was arrested at his home on Avenue Foch. According to the police the value of the opium supplied to the two sailors was $1,300, and Tsu made a contact with the Americans by virtue of his profession as a tailor which allowed him a pass to board the American vessels. An application for a remand of one week on a writ of detention, in order that the police might continue further enquiries, was granted by the Judge.

Magnate Gives Yen 100,000 to Japan Defense Fund

Ginjiro Fujiwara, president of the Oji Paper Manufacturing Company, has donated Yen 100,000 to the Japanese War Office for the national defense fund.

U. S. Colonists in Alaska Will Purchase Their Farms

More than half of the 168 American families which went to Alaska to seek new homes in place of those destroyed in the drought in the middle-western sections of the United States, have agreed to purchase their farms and remain in Alaska. The families were transported to Alaska at public expense and provided with land in the Matanuska Valley, northeast of Anchorage. Not more than a dozen families will finally refuse to sign contracts to purchase their land on 30-year terms, according to Leo B. Jacobs, director of the colony. Under the government's contract the colonists must maintain the cooperative nature of the project. Annual instalments on the farms range from U. S. $80 to $330 depending on the debt incurred since the establishment of the project three years ago. The Matanuska project is the first attempt of the U. S. Government to settle the Alaskan Territory with farmers from drought-stricken areas of the United States.



Strike at Tobacco Factories Here

Refusing to pay twenty cents a day as "maintenance fee" as demanded by the workers, the management of the Ta Tung (Great Eastern) Tobacco Factory this week asked workers to become salesmen instead of workers and promised a commission of five cents for each package of cigarette sold. Declaring that they know only how to manufacture cigarettes but not how to sell them, the workers, mostly women, refused to leave the factory promises. The management decided to suspend operations a last week when it found the general business conditions unfavorable. The workers immediately sent representatives to negotiate with the management, demanding a maintenance fee of twenty cents a day. No disturbance is reported, but large numbers of policemen are stationed in the factory premises as a precautionary measure.

The strike situation in the Fu Hsin Tobacco Factory became serious when the management failed to carry out its promises June 20. Over 1000 workers went to the factory but found no work awaiting them. The gates of the factory were closed and police were stationed in the factory to stop any possible disturbances. The workers are staying in the factory premises and no solution of the strike is in eight.

Over 2,000 worker were thrown out of work during the Sino-Japanese hostilities in Shanghai, when the Hwa Chen Tobacco factory suspended operations. Later when the management re-opened its factory in the Settlement, about 1,000 workers returned to work. The remaining 1,000 workres, who are now staying in a refugee camp, are demanding the expansion of the factory so that all of them may go back to work. Representatives of these 1,000 workers called on the management June 18 and organized into a *Tung Jen Hui* to assist each other.

1,000 Chinese Planes Downed, Says Japanese

A thousand Chinese planes have been shot down by Japanese aircraft in North China since the start of hostilities, it is estimated by Lieut.-Gen. Takamasa Izeki, who has returned from Korea to Japan after a tour of North China. He also estimated that the Chinese troops suffered 1,000,000 casualties in North China since the beginning of the conflict.

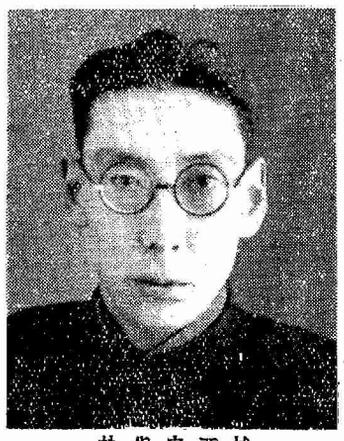
"In February and March the activities of Chinese planes in North China reached a climax," Lieut.-Gen. Izeki said, "but now they seem to have petered out. This may be due to lack of assistance from the Powers. Reckless tactical actions of Chinese soldiers have not affected the high morale of the Japanese forces."

Lieut.-Gen. Izeki praised the Japanese artillery forces, which he said had contributed greatly to the Army's success. He said foreign made arms to good quality had been found among captured Chinese equipment; these weapons were not as good, however, as the ones used by the Japanese, he added.

Araki's Son Drafted

In the traditional Japanese fashion, relatives, friends and well-wishers visited the home of Gen. Raron Sadao Araki, Minister of education, to wish martial success to Sadaakira Araki, 29-year-old son, who was called to the colors June 20. The younger Arakie eldest son of the general, was drafted as a reserve conscript, being assigned to a motor transport unit. A graduate of London University, young Araki returned from England in April. he joined the Nissan Automobile Company, the largest firm of its kind in Japan.

Who's Who in China



趙鎭宇亞城
Chao Cheng

Chao Cheng, Government official; born at Wutai, Shansi, May 21, 1900; graduated from Law School of Shansi University; served in Department of Agriculture and Industry, Shansi Provincial Government; officer in Political Training Department, Headquarters of the Third Group Army, National Revolutionary Forces; Secretary, Hopei Provincial Government; Secretary, Suiyuan Provincial Government; now Counsellor, Mongolian and Tibetan Affairs Commission, National Government; address: Mongolian and Tibetan Affairs, National Government, Chungking.

What Happened to the Chinese Central Mint?

For the first time since the war, a more or less coherent story, though a brief one, can be told of what has happened to the Chinese Government Central Mint in Shanghai which used to turn out dazzling silver dollars and cut little subsidiary coins in nickel and bronze. Situated just outside the International Settlement perimeter, the mint which was at that time equipped with $10,000,000 worth of machinery, sustained no material loss during the early stages of the hostilities in that port city. The Japanese troops did not succeed in fighting their way to where the mint stood until early in November.

This gave the mint authorities plenty of time to devise ways and means of preventing wholesale seizure by the Japanese. As a result, the invaders only found a few pieces of bulky machines still on the battered premises, missing the expensive equipment and its large store of silver, nickel and other raw materials for coinage purposes. Situated beside the now world-famous Soochow Creek, the mint had the initial advantage of having that waterway as an aid to its removal. Scores of large Chinese junks were employed to ship about 90 per cent of its machines to Soochow, whence the fleet pursued the Grand Canal northward until they reached Chinkiang near Nanking just above the Kiangyin boom It was a tortuous trip, no doubt, but the mint officials by a sheer realistic outook and practical-mindedness, achieved it. At that time, the Shanghai-Hangchow Railway was still open. Hence a large part of the coining metals was sent aboard freight cars and even open coaches to the lakeside city. Either on the canal or on the railway, these precious cargoes were escorted by armed guards to insure that there would be no untoward happenings on route. Once outside the immediate war zone around Shanghai, things became much easier.

The Central Mint has now been split into at least four or five scattered contres in different parts of the country. Strictly speaking, China no longer has a Central Mint. Instead, there are regional mints but under direct supervision of the Currency Department of the Ministry of Finance. A branch mint in the neighborhood of Hankow has been operating for the past six months by making use of part of the machines extricated from Shanghai. Its daily output in subsidiary coins amounts to 900,000 pieces, including those worth 20 cents, 10 cents, 5 cents and one cent. This month another branch mint will be inaugurated in Kweilin, provincial capital of Kwangsi, and by August a third will go into operating in Chungking, China's wartime capital in Szechuan. Meanwhile, prepafations are now under way for the establishment of a fourth branch in Lanchow, capital of the western province of Kansu. It has also been discussed that the old provincial mint in Canton may soon be opened up, too.

Sports Auditorium Planned in Tokyo

Plans to build a "butokuden," Japanese-style auditorium for kendo (Japanese fencing) and jiujitsu at a cost of Yen 2,000,000, as one of the enterprises to commemorate the 2,600th anniversary of the founding of the Japanese Empire in 1940, have been announced by the Tokyo Prefectural authorities. A former normal school in the Aoyama district was chosen as the site for the proposed auditorium.

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Vol.	44,	No.	9	April	28,	1928

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Men and Events

Victor Keen of the New York *Herald-Tribune* departed this week for Hankow.

Shojiro Otaka, Consul-General at Tsingtao, has returned to his post from a trip to Tokyo.

F. E. Taylor, formerly a Commissioner of the Chinese Maritime Customs, died on June 15 at Salisbury, South Africa.

E. H. Clayton of the Baptist Mission at Hangchow, Chekiang province, is departing shortly for the United States on leave.

The Purple Light pavilion in the Chung Hai Park, one of the scenic spots in Peiping, was struck by lightning on June 17 and seriously damaged.

Edgar Snow, correspondent for *London Daily Herald* and writer in *The Saturday Evening Post*,. departed this week for Canton and Hankow.

Senator Royal S. Copeland of New York, 69-year old physician, politician, member of the Democratic Party, died in New York on June 17. His death was caused by a kidney ailment.

V. Elliott, locally known as an "unrecognized American," was charged in the First District Court on June 18, with defrauding a Rumanian named Paul of $25.

George Allen, Sergeant in the Police Department of the International Settlement, has retired, after 12 years service and will return to his home in Billericay, Essex, England.

T. R. Scanlon, general manager of Sunland Sales Association, agents for Sunmaid Raisin Growers Association, is departing for San Francisco on leave on June 30.

E. F. Stanton, U. S. Consul at Shanghai, and Mrs. Stanton, are departing next week for the United States on home leave. They will board the President Coolidge at Kobe.

The National Committee of the Y. M. C. A. is now conducting a drive for $10,000 as Shanghai's share of the sum of $22,522.42 required for the Association's operations this year.

Tatetsugu Yoshikubo, director of the trade section of the Osaka Municipality, arrived in Shanghai on June 17 with 24 Japanese businessmen who will make a tour of Central China.

Admiral Sir Charles Little, formerly Commander-in-Chief of the British China Squadron, has been appointed Lord Commissioner of the Admiralty and Chief of the Naval Personnel.

Thomas Edward Wilkinson, sub-inspector in the Police Department of the International Settlement, was married on Saturday, June 18 to Miss Lilian Hammerton, formerly connected with the Asiatic Petroleum Company.

Chen Chieh, recently appointed Ambassador to Germany, was guest of honor at a reception given by the German Consul at Chungking on June 16. Mr. Chen is scheduled to depart for Berlin in July.

Miss Marge Zimmerman, member of the staff of the Alameda, Cal., *Times-Star*, departed from San Francisco this week on her way to Hongkong where she will be married to Lieut. Earl K. Solenberger of the U. S. S. Monocacy.

Capt. Prince Tsuneyoshi Takeda, member of the Imperial Family, who inspected Shanghai and other battlefields recently, returned to Tokyo by military airplane on June 19. His visit was kept secret here.

The general committee and members of the American Club will be hosts at the annual reception for members and guests on July 4. Buffet lunch and refreshments will be served in the club dining room, fifth floor.

The industrial farm products research division of the U. S. Department of Agriculture has developed a new type of varnish from soybeans which is said to be 100 percent perfect in weather resistance and rapid-drying quality.

The joint committee of Shanghai Women's Organizations, at a meeting on Wednesday, June 15, under the chairmanship of Mrs. Ivor E. G. Hunter, discussed the problem of developing a home for business girls, a project initiated by the Shanghai Y.W.C.A. sometime ago.

Chinese twin brothers, Hsi Yu-chung and Hsi Yu-ho, sons of an official of the Central Bank of China at Shanghai, who are students at Trinity College, Oxford, received special honors in their examinations in economics, according to a *Reuter* report from London on June 17.

As a result of the recent announcement of the Japanese Army authorities of their intention to build a new road to the Civic Center, the Land Office officials of the British Consulate-General published a notice asking British property owners to visit the Land Office immediately.

Elmer W. Peterson, special correspondent for the *Associated Press*, will depart next week for Hongkong-Canton where he will be stationed for sometime. Morris Harris, manager of the *Associated Press* bureau at Shanghai, who has been in Hongkong will return to Shanghai at the end of the present month.

Fu Ting-yi, native of Hunan province, who resides in Peiping, has just completed a new comprehensive Chinese dictionary which is said to contain 4,500,000 words. The book, consisting of 85 volumes, each of 100 pages, also contains all of the different usages of words and phrases to be found in the long history of the development of the language. Mr. Fu has been working on the job for 30 years.

Carl Eskelund, son of Dr. N. Eskelund of Shanghai, has been appointed correspondent for the well known Danish paper *Politiken* of Copenhagen. Carl Eskelund returned to Shanghai last week following his graduation from the School of Journalism of the University of Missouri.

A Japanese named Takakiyo Horinouchi, arrived in Shanghai on June 17 with a complete set of ancient Japanese armor which he claimed he was taking to Prince Teh Wang, Inner-Mongolian renegade leader who joined the Japanese soon after the occupation of Mukden by the Japanese Army in 1931.

Father Lou Tsen-tsiang, former Foreign Minister in the old Peking Government, and now a monk of the Celesting order in Belgium, has written a booklet, "The Voice of the Church in China." The book was written at the Abbey of St. Andre les Briges. The book covers the period from Aug. 1, 1928 to the recent Eucharistic Congress in Bucharest.

The French forces in Shanghai will conduct a 10-mile cross-country race on Sunday afternoon, June 25. Three teams will participate, one representing the French forces, one composed of Chinese and another of foreign residents of the French Concession. Each team will consist of 9 runners and points will be given to the first six home from each group.

Norman Davis, former U. S. Ambassador-at-Large in Europe, who recently was elected Chairman of the American Red Cross, was elected Chairman of the International Red Cross at the Congress of Red Cross Sovieties held in London last week. Vice-Chairman elected were Sir Arthur Stanley, England, and Col. Meinich, Norway.

Vice-Admiral L. G. E. Crabbe, former Rear-Admiral and Senior Naval officer of the British Yangtsze Patrol, has retired. He was one of the four British naval officers recently awarded the Distinguished Service Medal and Navy Cross by the U. S. Government for courageous action in assisting American sailors at the time of the bombing of the U. S. S. Panay by Japanese warplanes on Dec. 12, 1937.

Twelve officers and enlisted men of the U. S. Fifteenth Infantry, stationed at Shanghai, were awarded medals for heroism under fire in protecting regiment equipment during a battle between Chinese and Japanese forces at Tientsin railway station in July of last year. The men, upon arriving from Chinwangtao, found themselves cut off and under fire and had to remain in an isolated position for 14 hours.

Dr. W. Noebel, Charge d'Affaires of the German Embassy in Tokyo, will depart from Japan on July 1 for Germany where he has been appointed to a position in the Foreign Office. Dr. Noebel has been in Japan for six years, and according to an article in the *Asahi Shimbun*, had considerable to do with the formation of the Japan-German anti-red alliance. He is travelling home by way of Canada and the United States.

The Chinese paper *Wen Hui Pao* charged on June 17 that large quantities of wheat stolen from Chinese farmers in the interior, are being brought to Shanghai and dumped on the local market, According to the paper the wheat is being brought here by Japanese ronin and Chinese traitors. It was also charged that the Japanese and some local Chinese traitors had formed a Rice Merchants Transportation and Sales Association with the object of controlling the local market.

A new moving picture entitled "Fight for Peace," the text of which was written by Hendrik Willem Van Loon, will be shortly released at Hollywood, which contains many scenes from the Sino-Japanese hostilities at Shanghai. According to a preview in *Time* the picture will contain sections from newsreels showing the sack of Shanghai, dead being thrown into trucks "like loads of fat codfish, and the scorched wailing baby on the platform at South Station. The picture was described as "stuff for sturdy stomachs only."

Ke Yu-foo, formerly member of the editorial staff of the *Shun Pao*, leading Chinese paper which was shut down because of Japanese censorship, was sentenced to four months imprisonment at the First Special District Court on June 16, on a charge of stealing envelopes and stationery from the office of the Salt Gabelle in Foochow. According to evidence presented in Court, Ke had written letters to the Kong Yuen Canned Goods Company, using Salt Gabelle stationery, in the name of a leader of a guerilla unit in Fukien province.

Major Arthur Bassett was elected President of the American University Club at the annual meeting at the American Club on June 16. Other officers elected were Wm. Z. L. Sung, Vice-President, Bruce Smith, Treasurer and H. C. Chen, secretary. A. C. Cornish, retiring President, presided at the meeting. Talks were made by Frank P. Lockhart, Consul-General; Col. Charles F. B. Price, Commander of the Fourth Marines. The Treasurer reported that the J. B. Lee Memorial Scholarship Fund amounted to $2,000. The membership in the Club had decreased from 462 to 419 due to the departure of members from Shanghai.

Japanese Thanked for Protection

Japanese naval authorities at Amoy are receiving letters from Chinese residing in the Philippines, Java, Borneo, Siam and the Straits Settlements expressing appreciation for the protection given their families and properties at Amoy, *Domei* reported from Tokyo.

More Relief Funds Sought by Japanese

Dissatisfied with the allotment of rehabilitation funds by the Japanese Government, Japanese residents here have started a movement to urge the Government to grant more money to the Shanghai area. The group asserted that Japanese residents here should have at least twice the sum granted to Japanese in Tsingtao because the Japanese who remained in Shanghai during the hostilities suffered greater losses than the residents of Tsingtao, who evacuated that port at the beginning of the conflict. Japanese in Tsingtao have been allotted Yen 10,000,000, while Japanese in Shanghai have been granted only Yen 4,500,000, the local group complains.

At a meeting at the Japanese Club on June 15, the group discussed measures for appealing to the Government, the *Shanghai Nippo* said. An agreement was reached to urge the Consulate-General and the Japanese Residents' Corporation to appeal for more funds, and to send a petition direct to the Government. The Industrial Association, the Federation of Amalgamated Street Unions, Japanese Emergency Committee and other organizations will unite behind the appeal, the *Shanghai Mainichi* said.

Second Meeting Held

For the second time in a week, Japanese residents gathered at the Japanese Club, June 18 to discuss plans for a campaign to secure a larger allotment of Government rehabilitation funds, in the form of low-interest loans. Stating that their Chinese trade connections had been destroyed by the current hostilities, a number of those attending the conference insisted that large loans would be necessary for their rehabilitation. Another meeting was to be held on June 23.

Cruiser for Siam Completed at Kobe

A 2,200-ton cruiser, the Ahibea, constructed for the Siamese Government and launched at the Kawasaki dockyards in Kobe, was handed over to a Siamese commission June 16. A ceremony marking the delivery of the vessel was attended by M. Phya Sri Sena, Siamese Minister and other Siamese and Japanese notables. Delivery of the ship was completed when the Siamese naval ensign was hoisted and a Siamese crew went aboard. The ship sailed from Kobe for Bangkok on June 20. It was a speed of 15½ knots and is armed with four eight-inch guns.

Japanese-Siamese Relations Said Improved

Relations between Japan and Siam have improved to such an extent that the Siamese Navy entrusted Japanese dockyards with the work of building 14 gunboats and submarines, Kobe newsmen were told June 16 by Commander Kwandei Nakado, Naval Attache to the Japanese Legation in Bangkok. He said his two-year stay in Siam was pleasant. He said a tense atmosphere prevailed among Chinese merchants in Siam since the start of hostilities but friendly relations between Japan and Siam were not affected.

Japanese Freighter Claims Record

A record for a Pacific crossing was claimed June 16 by the 9,300-ton freighter Kinka Maru. The ship crossed from Yokohama to San Francisco in 10 days, 12 hours and 29 minutes on its first voyage, and returned from New York to Yokohama in 22 days, 23 hours. The ship returned to Yokohama from Los Angeles on June 14, averaging 18.2 knots an hour on the voyage from New York to Japan. A sister ship, the 9,300-ton Kinry Maru, has been constructed at the Kawasaki dockyards in Kobe and was scheduled to be launched June 16. Specifications of the freighters are: displacement, 9,300 tons; length, 155 meters; beam, 19 meters; horsepower, 9,200,, highest trial speed, 21 knots.

Asama Maru in Nagasaki

The N.Y.K. liner, Asama Maru, which was stranded in Laimoon Pass at Hongkong during a typhoon on Sept. 2 of last year, sailed into Nagasaki June 15 after being in the Mitsubishi dockyards for several weeks for repairs. The luxury liner, which was refloated on March 11 by the Nippon Salvage Company, will go to Kobe on Sept. 10 to resume transpacific sailings.

Drop in Pork Prices Due

Fanciers of pork in Shanghai were cheered last week as a drop in the price of the meat was forecast here with the impending arrival of 200,000 pigs from North Kiangsu. This report also brought relief to many a Chinese housewife who has traditionally relied upon pork as the main meat diet in the family menu. With local demand far outstripping supply, local dealers recently sent agenes to Hsing Sheng Kong, in North Kiangsu, to make purchases, Chinese reports said. Two hundred thousand squealing porkers, these reports added, are awaiting sale in Jukao, Taishing, and other districts in North Kiangsu.

Arrangements for the dispatch of vessels to shipping point along the northern shores of the Yangtzse have also been completed, these reports added. Meantime, the Chinese Vegetable Merchants Association moved to facilitate the transportation to Shanghai of country produce by establishing an special office in Kwei Chuen Lee Alleyway, Burkill Road, to hire boats on behalf of the Association's members. Local vegetable dealers, Chinese reports said, blame the difficulty to secure transportation facilities for the country produce for the prevailing high prices.

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Motherhood—And After.

Maternity makes great demands upon a woman's constitution and often leaves her run-down almost to the point of exhaustion just at the time when she needs every ounce possible of health and strength. For after baby's coming, not only does she require recuperation herself, but also she should be able to supply the child with all the nourishment needed to enable it to make a good start in life.

There are few women who do not need tonic help at this time, just as did Mrs. L. Pearson, of 76 Membury Road, Birmingham, England, who tells here how motherhood undermined her health and how she recovered.

"After the birth of my baby I was very weak and run-down," states Mrs. Pearson. "I felt terribly depressed and was ready to cry on the least provocation. I grew haggard, pale and thin, and was so nervous that I could not bear to be left alone.

"I was advised to try Dr. Williams' Pink Pills, and had not been taking the pills long before I felt the benefit. My appetite improved, the colour returned to my face, and I gained strength. Then the depression left me and I felt happier, I have now regained my lost weight, my nerves are steady, and I am like a new woman."

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New Books of Interest in the Far East

Australian Outlook

Australia's National Interests and National Policy. By H. L. Harris. Published by the Melbourne University Press in association with the Oxford University Press. 1938. 5s-.

This book, prepared for the British Commonwealth Relations Conference of this year by the Australian Institute of International Affairs, is a well edited, sober collection of informative material on the subject, from the point of view of the average Australian.

But to the objectively minded believer in a new era of International justice and peace, certain aspects of the National policy of Australia as so carefully set out, will not make for optimism.

For instance at the present moment one member of the family of Pacific nations says that it needs room to spread, workers to exploit, markets, etc. and so calls the bloody business of taking them the "civilizing of East Asia." The arguments expressed as to why the six million persons who inhabit the fringes of a continent bigger than the whole of China, should be left to do so while their neighbors starve for land, sound no less strange to the impartial outsider.

The empty lands of Australia, it is presumed, are a part of the heritage the workers who live in say Limehouse are invited to protect, when they gaze on the recruiting posters so prominently displayed in the slum quarters of English cities. Australia can afford the luxury of one of the lowest birth rates in the world. She can also have the stiffest immigration laws. She must depend on her export trade—increasingly to Japan, on whom her Tories fawn —and the British Navy will provide.

"The White Australia policy is justified in the eyes of Australia by economic and racial necessity."

"A standard of living, high enough to attract European workers cannot be maintained if Asiatics are allowed to settle in large numbers."

"The White Australia policy has been more readily reconcilable than any other alternative policy which it is possible to imagine with goodwill among the members of the Empire and with friendly relations between the Empire and foreign powers."

"We have normally to find external markets for our wool and 80% of our wheat."

"The peace time organisation of the army is a permanent force of 2,300 men and a voluntary enlisted militia of 35,000, The air Force consists of 96 first line planes—the navy 4 cruisers, six destroyers and an aircraft carrier. The whole costs about nine million pounds a year."

And then, pathetically, "Australia is a lonely outpost of Western civilisation in a profoundly alien sea. Too far from Britain for each succour, Australia is perilously near the new storm centers of the world. Distance and isolation once spelt security; they now in our darker moments leave us too easy a victim of the first predatory power . . . ."

And so we can see how wars start. Nature abhors a vacuum. Progress cannot be built on untruths. And the doctrine of racial superiority as far as Australians and Chinese are concerned, is not true. The doctrine borrowed by superfluous politicians from the Cafilornian goldfields has been instilled into the minds of Young Australia as much as has been the Sun God doctrine in Japan. Australia insults her best prospective customer, her biggest neighbour and delivers herself into the hands of Japan. For Japan after her failure in China, will be left with her navy intact.

Of the Chinese she knows but those who will put up with the curiously fascist treatment she meets out to them. Her beloved Italian emigrants are now underworking her native Chinese some of whom now return to China, unable to maintain their standard of living in Australia.

The author says that the Australia's ideal for the future is a country "inhabited by a people like themselves, mainly their own descendants, but richer, safer, wiser, better. They have no territorial designs. Peace, security and progress, are among the watch words of Australia." Pompous words. Would it not be more realistic to say that they know they have more than they ought to have, more than they can deal with, and that they hope that they will be left alone with it and at the same time be permitted to grow rich at the expense of peoples abroad?

For the whole country does not contain as many people as does the Wusih-Shanghai district. It has probably the most top heavy Government in the world—a regular mess of legislators. Five state legislatures of two houses each as well as a whole federal structure.

It is unscientific to say that the Australian tropics will never support a population of any size. The great fields of Queensland sugar cane left to rot because of the difficulties of cutting, give the lie to this.

Not that the wish of certain die hard, anti labor Australian politicians should be met—free importation of Asiatic labor to break the power of Australian labor. If Chinese labor is ever invited, it should be selected, and settled in some collective way, so that it would not compete with the labour market, but would give labor more stability by providing a local market for produced goods. Chinese who became industrial workers must be, as they now are, paid the same rates as any other labor. A Chinese likes all the good things a European does, if given the chance to use them, and if he feels that he has a permanent status in the country in which he lives—is not an unwanted fugitive, cut off from his family and fighting against the fate which has made him an exile.

Australia and China have much to learn about each other. Is to too pious a hope that they will learn it to their mutual benefit, and avoid the way of war? AUSTRALIAN

Oriental Immigrant

Americans In Process, A Study of our Citizens of Oriental Ancestry by Wm. Carlson Smith, Professor of Sociology, Linfield (Oregon) College Edwards Brothers, Inc., Ann Arbor, Michigan, 1937. U.S.$3.00.

Dr. Smith has produced a timely study of an American cultural problem that rarely receives sober thought or considered treatment. From six years spent in California and three in Hawaii he shows the position of immigrant and second generation Chinese and Japanese in those places. The picture is anything but pleasant. One the one hand the Oriental is trying to bridge the gap between American customs and values and such things as the family system, ancestor worship, controlled marriage, separation of the sexes with male superiority, while, on the other hand, second and even third generation American born are faced with constant race prejudice—more severe in California than in Hawaii.

Since the Oriental comes to America to work, the basis of his undesirability is, of course, mainly economic when he competes with the white breadwinner. However, he also finds restriction in the schools, in politics, and in common social intercourse that means club membership, choice of residence, service in shops and on trains, and the like. It is interesting to observe that the Military Mind is international, for, in Hawaii, "The military men talk much about an inevitable war with Japan and discriminate against the Japanese, be they alien or citizen."

As a white-collar worker, the person of Oriental ancestry has greatest trouble. In Hawaii he is most wanted as a laborer in sugar, pineapple and coffee. But even here his position varies with economic conditions. While small business and skilled labor attract many, the relative inaccessibility of the professions—medicine, dentistry, and teaching—have made them most attractive as a means of gaining "status" or standing in the community. In California greater restriction forces the immigrant and native-born alike to become domestic servants, small trade and produce merchants, and salespeople especially where "atmosphere" is needed. The American-born Oriental is not active in fishing but is turning slowly to the land with the help of scientific farming. Apart from serving their own people, the boy or girl who seeks the professions finds the going hard also. In short, conditions in the western part of the United States are not very bright for acceptance into the normal occupational pattern despite equality or, in some cases, even supperiority of the boy or girl of Oriental parentage.

This sketch is only half the story. As a social psychologist, Dr. Smith next turns to the members of this group and sees what they do and what happens to them. Undoubtedly compensation is a strong force in accounting for the social, vocational, and educational aggressiveness that the established white people find so distasteful. This struggle for recognition on ability as opposed to segregation because of race leads the young people to work for higher attainments in school and college, to join Christian churches, to become club members, to ridicule their Eastern background, and to cultivate American names, jazz, moving pictures, sports, and manners. Theirs becomes a concentrated career of joining, of "trying to belong," of getting recognized in the group.

How does this influence their lives? Obviously the *mores* of the Orient fall by the wayside with more or less ease, depenping on the attitude of the foreign-born parents. The greatest pruture, of course, occurs in the home, where, especially under Christianity, young people look forward to making their own marriages, where girls aim at education equal to boys, and where father becomes "Dad." The parents' dialect—perhaps pidgin English, Oriental food, dress, and furniture, strict parental, family, or community control,—these things cause embarrassment and conflict. With this struggle behind his own "front" it is hardly astonishing that the young person is left in a position of uncertainy and psychological insecurity as he moves in his "hybrid culture" of confused ideals and standards. Unless group control on traditional or modern lines be strong, the second or third generations are open to anti-social conduct: delinquency, gambling, and illegal occupations. Fortunately, many Chinese and Japanese community organizations have changed from groups trying only to preserve the old culture to energetic bureaus for guidance and for arousing group action against group discrimination be it racial, political, or social. But however this method solves the problems, those problems do exist for the group and the members within it. Time alone will bring about the transition.

As far as sociology is concerned, Dr. Smith might well have done this survey for other non-favored groups in the United States also, for it is highly illuminating to see how and why discrimination exists and what effect it has on the victims. The evidence, which certainly could not be gathered by the traditional questionnaire method of researchers, comes from over 1500 personal life histories in the author's possession, from interviews with the culturally dis-

inherited, and from standard sources. To the objection that personal statements have little value in an objective analysis one must answer that in this study the personal attitude is precisely the thing desired. It is in terms of the experiences, hopes, and prejudices of living men and women that social conflicts can best be understood. With this, our only complaint is that Dr. Smith did not include some references to American political and social problems from newspapers and leaders of Oriental-American communities, for it is revealing to learn how current national issues are considered. Especially is this true for the last six years with the complication of Far Eastern affairs. However, the author says that the depression prevented him from publishing his study earlier, which means that the bulk of his evidence is prior to 1932, an important date both in the Far East and in the United States.

Because this study will have a limited appeal, the publishers have done the neat printing by the lithograph process from photographing the typewritten copy, and a sound idea it is for cheaper bookmaking. We agree with the publishers; not many people will find this volume. But the difficulties it illuminates should be considered by all Western-gazing Chinese and Japanese and by all Americans concerned with the problem of assimilating non-Anglo-Saxon minority groups into the "melting pot." Dr. Smith's work opens one's eyes.

T. H.

10 Avenue Petain, Shanghai, June 11, 1938.

HOW CHINA IS GUARDING HER BACK DOOR

(*Continued from page 120*)

piculs of rice to Hupeh as requested, in addition to the 30,000 tons of coal shipped recently through the office of the Ministry of Economics. The districts in Szechuen during 1938 will have to keep a larger reserve of grain at the several granaries as ordinarily required by law. The provincial government at Chengtu has issued orders that all temples and guild halls not now being occupied for schools or barracks must be used as storage for foodstuff to be called at any time by military order.

Keeping the Public Informed

In the meantime, the strong government radio station at Chenju, near Shanghai, removed before Japanese occupation of that area, has been set up outside Chengtu, and is now functioning as usual, including an international broadcasting service under the direction of the Central News Agency, which maintains a branch in Chungking, Chengtu, Kunming, and other important cities of the south-west.

Chinese in the south-west, like those in other parts of China not occupied by the enemy, are informed daily of world affairs through the connections of the Central News Agency, a Chinese concern maintaining close relations with the *Reuter's, Havas, Transocean, United Press*, and other international news gathering and distributing organizations. All Chungking, Chengtu, and other south-west daily newspapers carry reports from these world-wide news agencies, through exchange release of news.

All important towns in Szechuen still not well-supplied with dailies or other periodicals, have their own means to keep their citizens informed of national or world affairs. In Hsintu, a district northeast of Chengtu, for instance, an office of the county government notes all important news as being released by provincial broadcasting station. Periodically, through the network of telephones covering every town and village, some one at each local exchange has the duty of relaying the messages to the people. The public of the district receives its daily news, other than those furnished by newspapers from the larger cities, in the form of wall-newspapers, or bulletins, posted at public places, mostly outside public parks, school grounds, and city gates. According to an official estimate, some 40 percent of the public in every place have taken enough interest daily to read this bulletin. Keeping the public informed of current events inside and outside China is being considered one of the most important items of the program in connection with mass education.

Nankai University Carries on

Though Japanese bombs and shells completely demolished the huge Nankai University buildings in Tientsin last year, the spirit of the university and its educational activities are proceeding with undiminished vigor in districts a thousand miles or more away from the original Tientsin campus. The 39-year-old establishment, from which had graduated more than 200,000 men and women, was valued at $3,000,000. The institution now carries on in three separate campuses. The middle school as well as the school of post-graduate studies are run in Chungking in far-off Szechuan, while the main university functions partly in Kunming and partly in Mengtze in Yunnan Province, situated in the south west corner of China. At the two Yunnan cities, Nankia University, according to its chancellor, Dr. Chang Po-ling, is incorporated with the National Peking University and the Tsinghua University—two other leading institutions which had been also affected by Japan's invasion of North China. The joint institution is now known as Southwestern Union Universiy. At Kunming are conducted the colleges of sciences and engineering, while those of arts and political sciences are carried on at Mengtze. The Union University at both places has an enrolment of 1,000.

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THE MOHAMMEDAN RISES AGAINST JAPAN

(*Continued from page 115*)

Shanghai 1932, all 7,000 Mohammedans in Sian, under the leadership of Wang Yu-po, a Mohammedan leader, turned out to take part in the "Anti-Japanese Demonstration" mass meeting, which is the first of this kind when the Mohammedans rise up to oppose one foreign invasion. What is most surprising is that all the Mohammedan shops and other institutions throughout the city closed their doors on the whole day to remember this humiliation day. "Such is the spirit of the nation, and such is the spirit of the Mohammedans. . . . . Who could now say that the Mohammedans are less patriotic than the other Chinese people?" an observer remarked. February 10 is the Mohammedan festival day. An "Anti-aggression and Pray-for peace meeting was held in the Mohammedan church in Hankow for many successive days. More than 1,000 representatives from all parts of China took part. On February 4, General Pei Tsung-hsi delivered a most stirring speech on "To Oppose the Japanese invasion in accordance with the Teachings of Mohammed" by urging the Mohommedans to unite more solidly and to place all man-power and all resources on the "resistance-against-Japan and national-salvation line!"

A most impressive and lengthy open letter was issued and addressed to all the Mohammedans. After pointing out that "we are a part of the people of the Republic of China; we should remember the order of Generalissimo Chiang 'never submit to the enemy,' and in addition, we should, in the spirit of fearlessness of Mohammed, take part in the present holy war to oppose the invasion and to save the nation", the letter emphasizes that the Japanese method is essentially one of "bidding the Chinese to oppose the Chinese", "of dividing us" and "of destroying the Chinese unity". The same cites six instances when the Japanese invaders treated the Mohammedans with extreme brutalities in the occupied areas. The letter urges every Mohammedan to swear "never to make any agreement with the Japanese", "never to surrender to the enemy", "be determined to destroy all the bogus regimes", and "be united solidly to kill the invaders".

That there is a "great political awakening" among the Mohammedans could also be evidenced by the following account. Sun Chen-wu who traveled extensively in the North west, told us that he once held a "psychological test" of the Mohammedans by asking the following questions, from which he obtained the following answers;

1. Q. Who is our enemy?
   A. Japan
2. Q. Suppose Japan defeats China, what follows?
   A. China would no longer exist, and "we would be massacred by them!"
3. Q. Who can beat Japan?
   A. "The Revolutionary Army under Generalissimo Chiang Kai-shek!"

Ma Liang, a Mohammedan, now the head of the "Peace Preservation Committee in Tsinan" (now under the Japanese military occupation) is strongly denounced by the rest of the Mohammedans and is now being excommunicated from the religion. In other words, the present war which the Japanese militarists have been waging with China has resulted in a great political awakening of the 50,000,000 Mohammedans who rise to join with other Chinese to oppose the invasion. Their motto is: "In order to protect the North-West, we must first unite the Chinese and Mohammedans!" And they are united, so the North-West is saved!

JAPAN HITS A NEW LOW IN AMERICAN OPINION

(*Continued from page 116*)

view of the split among progressive opinions that has existed heretofore, to find that today the overwhelming consensus of these articulated classes are for collective security rather than isolationism. The results are doubly significant when it is obvious that many, if not all, of those who answered the questionnaire did so with the current Far Eastern crisis in mind.

Complete returns of *The Nation's* poll show isolation to have been rejected by progressive opinion among all groups and in all sections of the country. Out of a total of 9,263 signed ballots received, only 1,493—or less than one in six—subscribed to the general isolationist program. The question put forth was: "In the long run, which offers the better insurance against war for this country—isolation or a policy of cooperation with other nations in defense of peace?" The answer, with percentages based on the number of replies received:

Isolation.....16.1%
Collective security.....83.9

War Drift Checked

Of the specific proposal suggested by *The Nation* as a means of checking the drift toward war, the reciprocal trade agreements and the consumer boycott received the greatest support. The boycott was strongly favored by both the supporters of isolation and of collective security, and rolled up a striking majority of 4 to 1 among all those casting their ballots. Two other pertinent questions in *The Nation* poll and their answers are as follows:

"Has the failure of the major democratic powers effectively to oppose the aggressions of Germany, Italy, and Japan weakened your belief in the possibility of collective action?"

Yes.....40%
No 60

"Do you favor the application of voluntary popular boycotts to goods coming from nations engaged in aggressive warfare?"

Yes 79.8%
No 20.2

The *Nation's* own conclusion from the results of its poll is that it does "indicate that there is a surprising unity in liberal opinion throughout the country on the necessity of some form of concerted action to check the drift toward war. It suggests that isolationism, if it was ever as strong as its advocates insisted, is definitely on the wane. And it provides a reassuring demonstration of faith in the feasibility of achieving peace through non-military means. An overwhelming majority upheld *The Nation* in the belief that economic sanctions, consumers' boycotts and other pressures exerted by labor and unofficial groups may, if rigorously applied, yet stop the spread of war."

***

(Editor's Note: Since this article was written in New York, May 11, 1938, Japan's bombing of Canton has taken place, which has tended to arouse America in its anti-Japanese expression. A display of America's attitude was witnessed in Congress last week when a senator suggested that the United States sever relations with Japan. A new poll of American opinion will undoubtedly show that their anti-Japanese feelings have increased considerably.)

Manchukuo Aircraft Firm to Be Organized

A law providing for the establishment of a Manchukuo Aircraft Manufacturing Company was promulgated June 16 in Hsinking. The new firm will be empowered to manufacture, repair and sell aircraft in Manchukuo. The company will be capitalized at $20,000,000. A committee will be formed soon to make arrangements for the organization of the company.

Aviation Institute Committee Formed

An organizing committee for the Central Aeronautical Institute sponsored by the Ministry of Communications to conduct coordinated aviation research work over a period of five years was appointed in Tokyo June 16. The work will be financed by a special appropriation of Yen 150,000,000. The Aeronautical Institute of Tokyo Imperial University, which designed the "Wings of the Century," super-monoplane which recently broke the world's endurance flight record, conducts only research on "aeronautical fundamentals." The new institute will undertake research work on the industrial and commercial aspects of aviation. The organizing committee is expected to complete its work within 12 months.

Sleep Is All Important For Your Baby.

A Simple Aid.

Young babies require a lot of sleep; it is the most important part of their life and essential to healthy development. When your baby's sleep is disturbed you should at once seek the reason. Sometimes it may be due to the discomfort arising from a displaced pin, or too tight clothing, or he may be too hot, too cold, or perhaps hungry.

When you are satisfied that his trouble does not arise from any such causes, it is more than probable that his digestion is slightly deranged, to correct which and speedily to restore sound, health-giving sleep all that is generally needed is a dose of Baby's Own Tablets.

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Baby's Own Tablets are used in thousands of homes as a remedy for children's ailments such as indigestion, constipation, upset stomach, diarrhoea, simple fever, colds, croup, worms and teething troubles. They are the prescription of a British medical child-specialist and have been a favourite with parents and children too who like their pleasant taste, for over forty years. From the cradle to twelve years of age there is nothing to surpass the children's own remedy sold by all chemists,

BABY'S OWN TABLETS.

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